Who's Counting?

FY2015

Comprehensive Annual Financial Report

Missouri Consolidated Health Care Plan
A Component Unit of the State of Missouri
2015 Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2015

M·C·H·C·P

Missouri Consolidated Health Care Plan

www.mchcp.org
800-701-8881

832 Weathered Rock Ct.
PO Box 104355
Jefferson City, MO 65110

Who's Counting?

2015 Comprehensive Annual Financial Report

Missouri Consolidated Health Care Plan
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2015 Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2015

Report prepared by Fiscal Affairs Department
Design and artwork by Andrea Arwe

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INTRODUCTION

Who's counting?

From the Latin word *computare*

"to tell a story"

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coun•ting [koun(t)iNG]

(verb)

to have a specified numerical value; to be accounted or worth something; to have merit, importance, value, etc.; deserve consideration

832 Weathered Rock Court
PO Box 104355
Jefferson City, MO 65110
Phone: 800-701-8881

Letter from the Executive Director

JUDITH MUCK

It is with great pleasure that I submit the annual report of the Missouri Consolidated Health Care Plan (MCHCP) for the period ended June 30, 2015. MCHCP is a component unit of the state of Missouri for financial reporting purposes and as such, the financial reports are also included in the state of Missouri Comprehensive Annual Financial Report. The financial information presented in this report is the responsibility of management of MCHCP and sufficient internal accounting controls exist to provide a reasonable assurance regarding safekeeping of assets and fair presentation of the financial statements, supporting schedules and statistical tables. Systems and procedures are evaluated, in conjunction with the Board of Trustees, MCHCP management and Internal Audit to provide assurances that internal controls exist and are functioning to promote objectives while minimizing risk. Reasonable assurance recognizes that the cost of a control should not exceed the benefits to be derived; the objective is to provide reasonable, rather than absolute assurance, that the financial statements are free of material misstatements. The report is also designed to comply with the provisions of section 103.025 of the Revised Statutes of Missouri (RSMo) as amended.

The American author and poet, Maya Angelou once said, "I do my best because I'm counting on you counting on me." These powerful words remind me and reinforce the theme of our fiscal year 2015 report, *"Who's Counting?"* We accept the challenges and embrace the opportunities that exist in providing affordable and comprehensive coverage to more than 97,000 state and public members. We are reminded that success must be a product of *"counting on"* our combined partnership with our membership, policymakers and stakeholders, and trusted vendor partners as we navigate toward a healthier population through member education, comprehensive benefit design and wellness incentives designed to facilitate and achieve improved member health.

During the fiscal year ended June 30, 2015, the state of Missouri contributed more than $387 million, or approximately 70 percent of revenues, to the Plan in the form of employer-sponsored contributions. Member contributions for our state members exceeded $134 million while revenues for public enrollment exceeded $8 million. Medical and pharmacy claims and operations expenditures for our state and public employees exceeded $553 million for the period. Additional financial information can be found in the management discussion and analysis, financial statements and notes to the financial statements included in this report.

Today's health care landscape provides economic challenges for both members and employers in addressing affordability while providing the comprehensive coverage members depend and *count on*. We are proud of the state and MCHCP's financial collaboration and commitment to providing a pathway to the maintenance of flat active member premiums for seven plan years (2010-2016). Incentives and initiatives to improve the health of our membership are led by our own *Strive for Wellness®* team. During the current fiscal year, the dedicated team of registered nurses, dietitians and professionals led multi-faceted programs in health action campaigns, tobacco cessation and weight management while expanding their outreach and education in the form of booths, lunch and learn presentations, and health fairs. *Strive for Wellness®* also hosted the annual State Employee 5K Run/Walk for the third consecutive year with 220 participants dedicating the event to improving their health and fitness.

The *Strive for Wellness®* Health Center, our pilot project located in the Harry S Truman Building, brings convenient health care to active employee MCHCP members where they work. The Health Center completed its first full year of operations, and after early actuarial analysis recorded a near year one breakeven. Additionally, more than 2.6% of participants surveyed responded that their use of the *Strive for Wellness®* Health Center was a replacement for services they previously would have utilized in an emergency room setting. Appropriate utilization of health care remains a core component of health care cost containment.

Innovations in technology and information security remain a central focus of Plan operations. Emerging technologies require a dedication to improving existing systems while securing and protecting member information. During fiscal year 2015, the Plan re-engineered document imaging, upgraded our dedicated customer phone system, implemented redundancy for offsite network storage and rolled out an improved open enrollment website to name a few. These initiatives were completed while decreasing the technology operating budget by more than two percent from the prior year. As funding resources remain challenging, we remain committed to continuing to pursuing the latest in technology to enhance and foster budgetary economies while improving the member experience.

Participation and engagement of our population in their own health management is critical as we look for factors influencing health care trends and costs. Evolving technologies and mobile applications continue to shape member consumerism and engagement. During the open enrollment period encompassing fiscal year 2015, more than 18,000 members utilized our Informed Enrollment analytic tool, managed through our partner, Truven Health Analytics, when selecting their health plan for 2015. The Informed Enrollment tool utilizes the members' recent and historical medical outlay coupled with the ability to anticipate individual and family utilization to arrive at their recommended plan selections. We are encouraged by our members' interest in advancing technologies that help create more informed health consumers.

For the twentieth year in a row, MCHCP was pleased to receive the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2014. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports. In order to qualify, a government unit must publish a report conforming to all GFOA standards. The Certificate of Achievement is valid for a period of one year only. MCHCP will continue to strive for such recognition with its submission of our current report for consideration to GFOA. Additionally, MCHCP received the 2015 Blue Pencil and Gold Screen Award for "Most Improved Publication", following the redesign of our *HealthFacts* newsletter.

This report is a product of the combined efforts of the MCHCP staff and the Board of Trustees. It is intended to provide complete and reliable information as a basis for making management decisions, for determining compliance with legal provisions and for evaluating the condition of the fund. MCHCP has received an unqualified opinion from our independent auditor whose report can be found on pages 22 and 23.

This report is provided to the Governor, the State Auditor, members of the General Assembly, state agencies and participating public entities and is viewable at *www.mchcp.org*. The cooperation and support of these individuals and agencies help contribute to our success. Also, for the Board of Trustees, I extend my gratitude to the staff who I *"count on"* every day to provide the quality service you have come to expect from MCHCP. We are gratified that you *"count on us"*, and are mindful of the insightful words of the American author and lecturer Helen Keller, "Alone we can do so little, together we can do so much."

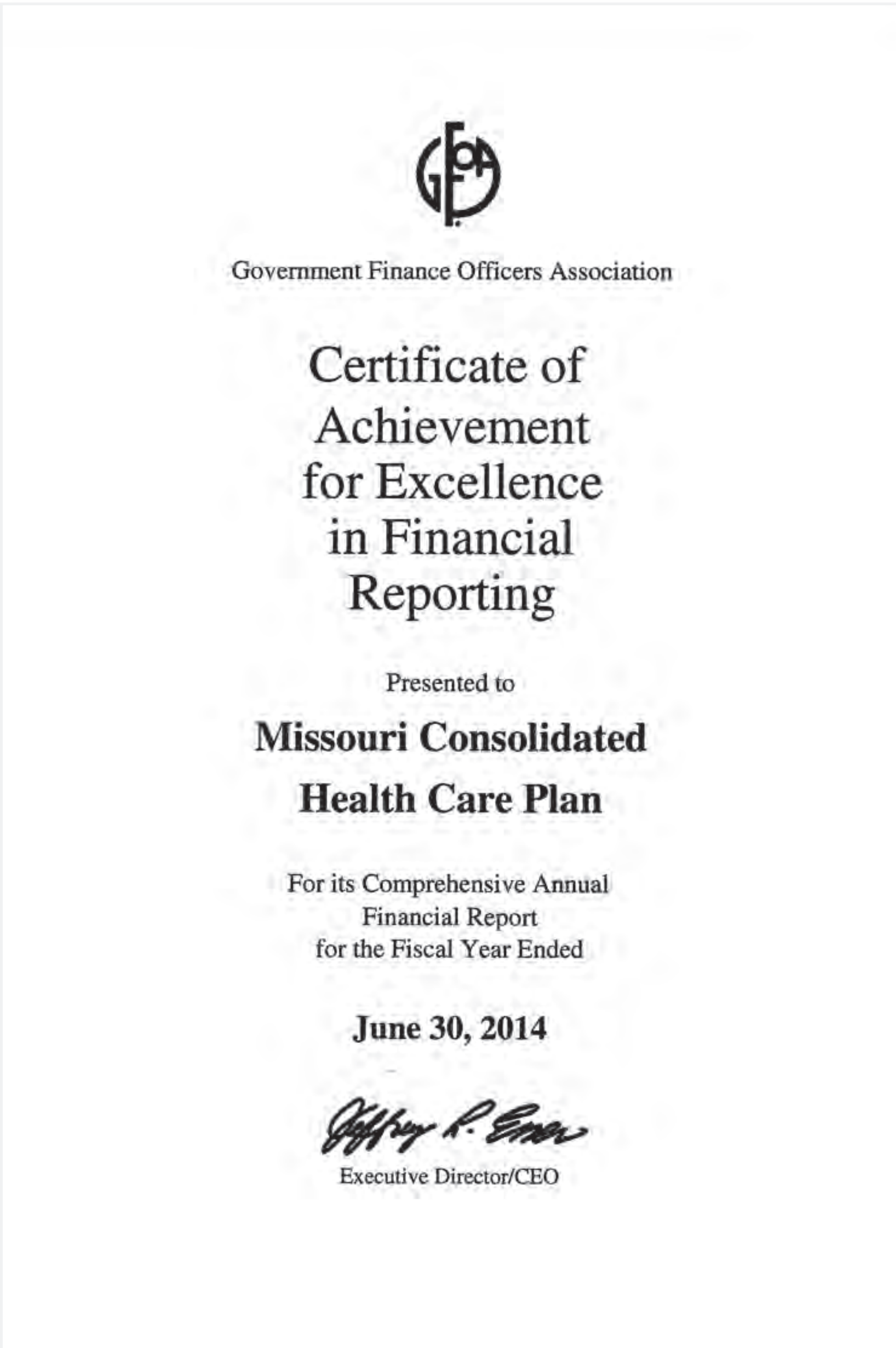
Let's all keep moving and *counting* on each other.

I welcome your suggestions for the continued success and improvements of your health plan, MCHCP.

Yours in health,

Judith Muck
Executive Director
December 4, 2015

Certificate of Achievement



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

Missouri Consolidated
Health Care Plan

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2014

Executive Director/CEO

MCHCP Organization

JUDITH MUCK
Executive Director

BENEFIT ADMINISTRATION

VENDOR RELATIONS

STACIA G. FISCHER
Chief Fiscal Officer

BRUCE R. LOWE
Chief Information Officer

JULIE WATSON
Chief Wellness Officer

JENNIFER STILABOWER
General Counsel

FISCAL

RESEARCH

INFORMATION TECHNOLOGY

RECEIVING SERVICES

POPULATION HEALTH

CLINICAL SERVICES

PLAN INTEGRITY

HUMAN RESOURCES

MISSOURI CONSOLIDATED HEALTH CARE PLAN

832 Weathered Rock Court
PO Box 104355
Jefferson City, MO 65110
Phone: 800-701-8881

Letter from the Chairperson

GAIL VASTERLING

It is my distinct pleasure to present to you, on behalf of the Board of Trustees, the Comprehensive Annual Financial Report for the Missouri Consolidated Health Care Plan (MCHCP) for the period ended June 30, 2015.

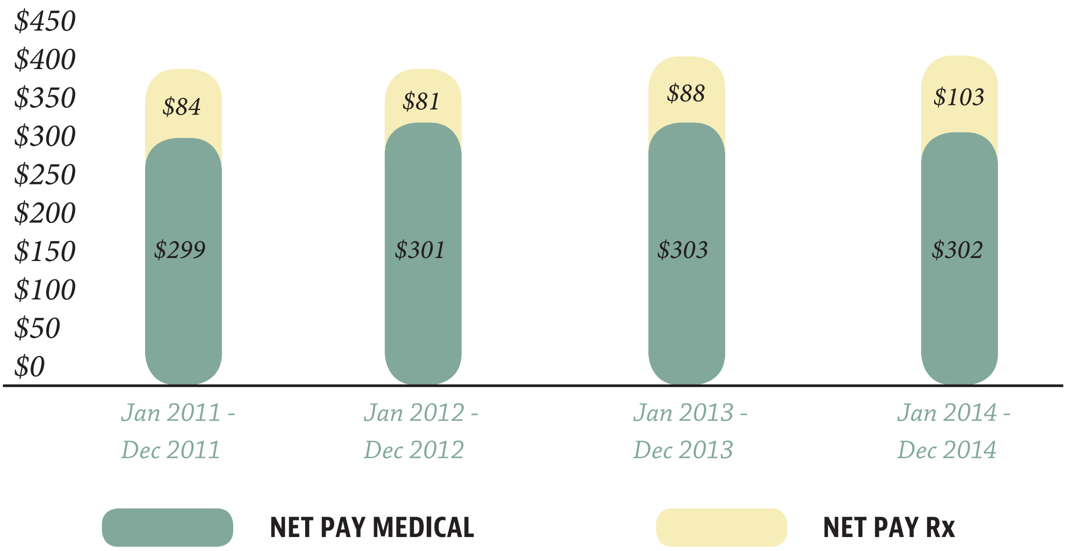
Although our theme for this year's report, "*Who's Counting?*," asks the question, we already know the answer. You, the more than 97,000 state and public members we serve, rely on MCHCP to provide comprehensive and affordable health care coverage. You count on MCHCP to contract for and deliver health care coverage that strengthens your daily lives and protects your families from health-related costs. As the single largest employer in the region, we understand the challenges that face large employers and we remain committed in our efforts to create a Plan that meets the needs of our membership while providing best in class initiatives to promote and effect a healthy population.

Nationally, as states see some improvements in general revenue growth, they remain optimistic yet challenged in this global economy. In Missouri, fiscal year 2015 net general revenue collections increased 8.8 percent compared to 2014, from $8.0 billion last year to $8.71 billion. As the state remains the largest single source of revenue to the Plan, allowing for plan selections that pay approximately 86 percent of a member's total health care expenses, excluding premium contributions, we remain committed to developing and maintaining a benefit plan, employing state of the art technology and incorporating Partnership and Tobacco-Free Incentives to facilitate our member's health awareness while promoting healthy behaviors.

Dedication to innovative health care delivery is another way you count on us. During fiscal year 2015, the *Strive for Wellness*® Health Center completed a full year of operations in the Harry S Truman State Office Building in Jefferson City, Missouri. The center treated more than 2,700 active MCHCP plan members while reporting an overall satisfaction rating in excess of 96%. Approximately 7,000 state employees with MCHCP coverage work in proximity to the Health Center and more than 27% have received service. We look forward to the continued evaluation of these and other efforts to improve opportunities for health care access and overall cost containment.

As fiduciaries of the Plan, we understand we cannot do this alone. We also count on you, our members, to engage in healthy behaviors and remain conscientious and informed utilizers of Plan benefits. During fiscal year 2015, on average, more than 57 percent of eligible members participated in the Partnership Incentive, while more than 64 percent of those eligible for tobacco-free incentives attested. We applaud the dedication of our membership in engaging in their health and encourage increased and continued participation.

Net Payments
Claims Paid 2011-2014



Expenditures for our self-funded medical and pharmacy, and fully-insured dental and vision benefits during fiscal year 2015 for state employees were approximately $515 million; an increase of approximately seven percent over fiscal year 2014 totals. Although net paid medical claims as reflected in the chart for the calendar periods 2011 through 2014 remained relatively stable, the Plan is experiencing overall increases in pharmacy expenditures due primarily to the increased costs of generic drugs and rising specialty drug prevalence, utilization and costs.

The Board of Trustees values the trust our members place in us to act in the best fiduciary interests of the Plan. The fiscal health of the Plan remained strong in 2015, bolstered by the state's commitment of more than $387 million in employer contributions, while members contributed more than $134 million in premiums. Non-operating revenue, primarily return on investment, was more than $4.7 million.

We are grateful to know that policymakers, stakeholders and YOU are *"Who's Counting?"* and appreciative of the more than 97,000 state and public members we serve. We look forward to the challenges and opportunities ahead as we stay focused on our mission of delivering comprehensive and affordable health coverage to our members. We thank the dedicated staff and advisors who have worked so diligently with us throughout the year.

Sincerely,

Gail Vasterling
Chairperson
Board of Trustees
December 4, 2015

Professional Services

Audit Services
Brown Smith Wallace, LLC
Truven Health Analytics

Banking
Central Bank

Consulting
Towers Watson

Decision Support System
Truven Health Analytics

Employee Assistance Program
ComPsych

Health Savings Account (HSA)
Central Bank

Medical Third Party Administrator
UMR
Coventry Health Care of Kansas

Pharmacy Benefit Manager
Express Scripts, Inc.

Vision Program
National Vision Administrators

Wellness Program
Alere Health Improvement Co
StayWell Health Management, LLC

Dental Program
Delta Dental

Disease Management Program
Alere Health Improvement Co
UMR
Coventry Health Care of Kansas

Board of Trustees

HONORABLE KEVIN MCMANUS

Missouri House of Representatives

District 036

Appointed by the Speaker of the House of Representatives

DOUG NELSON

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Office of Administration

Jefferson City

Ex Officio Member

Committee: Appeals

HONORABLE CALEB ROWDEN

Missouri House of Representatives

District 044

Appointed by the Speaker of the House of Representatives

Chairperson
GAIL VASTERLING

Director

Department of Health &

Senior Services

Jefferson City

Ex Officio Member

Committees: Audit, Budget & Investment, Benefits & Wellness, Personnel

MICHAEL WARRICK

Jefferson City

Governor-Appointed Member

Committees: Appeals, Personnel

*Two Governor-Appointed Members are currently open

Summary of Plan Provisions

VISION

To be recognized and valued by our members as their advocate in providing affordable, accessible, quality health care options.

PURPOSE

Established Jan. 1, 1994, the Missouri Consolidated Health Care Plan (MCHCP) was created to provide health care benefits to most state employees, retirees and their dependents, and public entities within the state that join the Plan.

MISSION

To provide access to quality and affordable health insurance to state and local government employees. We will accomplish this by:

- Consolidating purchasing power and administration to achieve benefits not available to individual employer members
- Creating collaborations to ensure the needs of individual members are understood and met
- Ensuring fiscal responsibility
- Developing innovative delivery options and incentives
- Identifying and contracting with high-value plans
- Maintaining a high-quality and knowledgeable work force

ADMINISTRATION

MCHCP administers medical, dental and vision benefits and an employee assistance program (EAP) for most members of the Missouri State Employees' Retirement System, Judicial Retirement Plan, some members of the Public School Retirement System, legislators, statewide elected officials and eligible public entity members. In addition, dental and vision benefits are available to employees and retirees of the Departments of Conservation and Transportation, and the Missouri State Highway Patrol. EAP benefits are available to active employees.

Missouri statutes provide that the administration of MCHCP be vested in a 13-member Board of Trustees. The Board is composed of:

- The Director of the Department of Health and Senior Services, serving ex officio
- The Director of the Department of Insurance, Financial Institutions and Professional Registration, serving ex officio
- The Commissioner of the state Office of Administration, serving ex officio
- Two members of the Senate, appointed by the President Pro Tem of the Senate
- Two members of the House of Representatives, appointed by the Speaker of the House of Representatives
- Six members appointed by the Governor with the advice and consent of the Senate. Of the six members appointed by the Governor, three shall be citizens of the state of Missouri who are not members of the plan but who are familiar with medical issues. The remaining three members of the Board shall be members of the plan.

The management of MCHCP is the responsibility of the Executive Director, who is appointed by the Board of Trustees and serves at its pleasure.

The Executive Director acts as advisor to the Board on all matters pertaining to MCHCP and, with the approval of the Board, contracts for professional services and employs the staff needed to operate the organization.

MEDICAL PLANS

Preferred Provider Organization (PPO) plans and a Health Savings Account Plan (HSA Plan) are available to all members. Preventive care, including annual physical exams, age-specific screenings and immunizations, is covered at no cost to the member.

Preferred Provider Organization (PPO) Plans

MCHCP's PPO plans use a network of preferred providers. A PPO plan allows members to use any provider, but claim reimbursement is higher when utilizing the PPO network.

The PPO plans have network benefits that require a deductible be met before claims are paid at 90%. The out-of-pocket maximum ensures a member's annual medical expenses are capped. One of the PPO plans provides copayments for office, urgent care and emergency room visits. Copayments do not count toward the deductible.

Health Savings Account Plan (HSA Plan)

The HSA Plan offers higher deductibles than most PPO plans but provides a tax-advantaged way to help members save for future medical expenses. Enrollment in an MCHCP-qualified high deductible health plan is required for participation in a Health Savings Account (HSA).

The Internal Revenue Service establishes maximum annual HSA contribution amounts, but there is no limit on the balance of the HSA. MCHCP contributes funds to active state members' HSAs on a bi-annual basis. HSA funds can be used for qualified medical and pharmacy expenses, and deductible and coinsurance amounts.

TRICARE Supplement Plan

MCHCP members with TRICARE, the Department of Defense's health benefit program for the military community, may enroll in the TRICARE Supplement Plan. This plan covers all out-of-pocket costs, including copayments and deductibles, for services covered by TRICARE.

Prescription Drug Plan

With the exception of the TRICARE Supplement Plan, MCHCP medical plan members are automatically enrolled in the prescription drug plan. The plan maintains a broad choice of covered drugs and promotes the use of generic drugs. A drug formulary with required preauthorizations, quantity level limits and step therapy ensures members get the safest drugs at the best cost possible.

Dental Plan

The dental plan offers a broad network of providers in the state. Preventive care, such as examinations and cleanings, is covered at 100 percent and does not count toward the plan year maximum benefit amount. Additional cleanings are provided for members who are pregnant, diabetic, have a suppressed immune system or have a history of periodontal therapy. The plan also covers fillings, extractions, root canals, bridges, dentures, crowns, the treatment of gum disease and other services with varying deductibles and coinsurance.

Vision Plan

The vision plan offers set copayments for services received from network providers and allowances for services obtained from non-network providers. The plan covers examinations, lenses, frames, contact lenses and corrective laser surgery. Members can receive discounts on additional glasses and sunglasses from any provider within 12 months of an eye exam.

Employee Assistance Program (EAP)

The EAP is a confidential counseling and referral service that can help employees and their families deal with life's challenges. EAP services are available at no cost to all active state employees and members of their households.

The program can help with issues such as stress, parenting, alcohol and drug abuse, marital problems, anxiety, depression, legal and financial concerns, identity theft and consumer fraud protection, and FamilySource® to assist with work-life needs including child care, elder care, education, adoption, pet care and personal convenience.

Strive for Wellness® Program

MCHCP recognizes that managing the health of our population is paramount to controlling long-range healthcare spending. The *Strive for Wellness®* program provides evidence-based initiatives and resources designed to help our members and state employees better understand and manage their health.

Major strategies focus on empowering members to proactively receive preventive health screenings, manage chronic diseases, and to lead overall healthier lives. *Strive for Wellness®* offers premium reductions for eligible members who participate in the Partnership and Tobacco-Free Incentives.

In addition, the *Strive for Wellness®* team – comprised of expert clinicians and health educators – teaches employees how to make smart lifestyle choices. This team leads health-related activities, such as lunch-and-learns and an annual state employee 5K Run/Walk. Registered dietitians teach on-site weight management courses several times each year and boast a combined participant weight loss of more than 140 pounds and 22 inches in the 2 courses offered. Registered nurses also lead quit tobacco courses in state office buildings with an average quit rate of 37% in 4 courses.

In an effort to broaden wellness opportunities to all state employees, particularly in regions located outside the capitol complex, wellness ambassadors and building wellness teams were created. These individuals and groups help organize on-site activities and services, reaching more employees where they work. To date, there are more than 29 wellness ambassadors and 4 building wellness teams across the state.

Disease Management Program

The Disease Management (DM) program encourages members with chronic conditions, such as diabetes and coronary artery disease, to participate in a telephonic, one-on-one nurse coaching program. Members learn new ways to control their conditions, and avoid health crises and relapses that can lead to emergency room visits. Nurses may communicate with a member's health care provider to share patient progress with DM between office visits.

Members who participate in the diabetes DM program receive additional support, including three visits with a certified diabetes educator, a glucometer, and no cost test strips and lancets. Participants also have access to lower prescription drug copayments and coinsurance for medications directly related to treating their diabetes.

Members with other chronic conditions such as obesity, asthma or congestive heart failure also receive reduced non-formulary prescription copayments or coinsurance when they participate in a DM program.

Strive for Wellness® Health Center

The *Strive for Wellness®* Health Center opened in early 2014 in the Harry S Truman building. The goal of the Center is to make health care easily accessible to employees enrolled in an MCHCP medical plan, reduce medical costs, and enhance worker productivity. The Center provides treatment for minor illnesses and preventive care services with hours designed to fit into a hectic workday.

FINANCIAL

Who's counting?

You are.

Our members count on MCHCP to provide comprehensive and affordable health care.

Figure

22

Report of Independent Auditors

BROWN SMITH WALLACE

6 CITYPLACE DRIVE SUITE 900 ST. LOUIS, MO 63141 PH 314.983.1200 FX 314.983.1300 BSWLLC.COM

A MEASURABLE DIFFERENCE℠

Independent Auditor's Report

Board of Trustees
Missouri Consolidated Health Care Plan
Jefferson City, Missouri

Report on the Financial Statements

We have audited the accompanying financial statements of each of the two major funds of Missouri Consolidated Health Care Plan (the "Plan") as of and for the fiscal year ended June 30, 2015, which collectively comprise the Plan's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with generally accepted accounting principles in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with generally accepted auditing standards in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of each major fund of the Plan as of June 30, 2015, and the respective changes in financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Effective July 1, 2014 the Plan implemented Governmental Accounting Standards Board (GASB) No. 68, *Accounting and Financial Reporting for Pensions.* Implementation of GASB No. 68 is disclosed in the Notes to Financial Statements, Note N. *Change in Accounting Principle*. Our opinion is not modified with respect to this matter.

Required Supplemental Information

U.S generally accepted accounting principles require management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB, who considers it to be an essential part of the financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with generally accepted auditing standards in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Introductory and Statistical Sections

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Brown Smith Wallace, LLC

St. Louis, Missouri
December 4, 2015

Management's Discussion & Analysis

This section of the annual financial report provides an overview and analysis of the financial activities of the Missouri Consolidated Health Care Plan (MCHCP) or the Plan for the fiscal years ended June 30, 2015 and 2014. We encourage you to consider the information presented here in conjunction with additional information presented in the basic financial statements which follow this section.

Fiscal year ended June 30, 2015 became the eighth year of presentation for the adoption of the provisions of Governmental Accounting Standards Board (GASB) Statement #43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. Implementation was not required until fiscal year 2008 because MCHCP previously accounted and reported for its activities under GASB #10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*. GASB #10 was amended by GASB #45 but remained in effect for accounting for healthcare benefits to retirees until the effective date of GASB #45. Thus, GASB #45 was effective for MCHCP's fiscal year ended June 30, 2008.

As a result of implementation, MCHCP created a separate fiduciary trust fund (State Retiree Welfare Benefit Trust or SRWBT) to handle the post-employment benefits for state employees. Prior to that time, the Internal Service Fund (ISF) of MCHCP handled the activity of both active and retired participants. For the current fiscal year, even though there was no significant change from an operational aspect, the net assets and activity related to active participants is reported in the ISF and the net position and activity related to retired participants is reported in the SRWBT in the accompanying financial statements.

FUND ACCOUNTING

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. MCHCP, like other discretely presented component units of the State of Missouri (as defined by GASB Statement #14), uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. There are three categories available for governmental accounting: governmental funds, proprietary funds and fiduciary funds. The ISF is considered to be a proprietary fund while SRWBT is classified as a fiduciary fund. MCHCP does not have any governmental funds.

Proprietary funds. Proprietary funds account for governmental operations that are designed to be self-supporting from fees charged to consumers for the provision of those goods and services or where the government has decided that the periodic determination of revenues, expenses, and net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The accounting and financial reporting practices of proprietary funds are similar to those used for business enterprises and focus on capital maintenance and the flow of economic resources through the use of accrual accounting. Of the two types of proprietary funds, MCHCP maintains one type: internal service fund. Internal service funds account for the financing of goods or services provided by one governmental department or agency to another and are expected to be self-supporting through charges to users. MCHCP's purpose is to provide medical insurance benefits to the State of Missouri's and other participating Missouri public entities' employees, retirees, and their dependents.

Fiduciary funds. Fiduciary funds account for assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the government's own programs. Fiduciary fund accounting is similar to that used for proprietary funds. The purpose of the SRWBT is to provide health and welfare benefits for the exclusive benefit of current and retired employees of the State and their dependents who meet eligibility requirements, except for those retired members covered by other post-employment benefit (OPEB) plans of the State.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the Plan's basic financial statements. Typically, governmental financial statements would be presented as three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. However, because the Plan has only proprietary and fiduciary funds, government-wide financial statements are not presented. Proprietary funds present financial statement information in the same manner as government-wide financial statements only with more detail, and government-wide financial statements would be repetitive. In addition, fiduciary funds are not reflected in government-wide financial statements because the resources of that fund are not available to support MCHCP's own programs.

MCHCP presents the ISF and SRWBT on separate fund financial statements. For the ISF, the basic financial statements are comprised of the Statement of Net Position; the Statement of Revenues, Expenses and Changes in Net Position; and the Statement of Cash Flows. For SRWBT, the basic financial statements are comprised of the Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position. The Notes to the Financial Statements are also part of the basic financial statements and apply to both the ISF and SRWBT. The financial statements are prepared on the accrual basis in accordance with U.S. generally accepted accounting principles applicable to governmental benefit plans.

The Statement of Net Position and Statement of Fiduciary Net Position present MCHCP's financial position as of the end of the fiscal year for each fund. Information is displayed as assets and liabilities, with the difference between the two reported as net position or deficit. The net position of MCHCP reflect the resources available as of the end of the fiscal year to pay benefits to members when due. Over time, increases and decreases in net position measure whether MCHCP's financial position is improving or deteriorating.

The Statement of Revenues, Expenses and Change in Net Position and the Statement of Changes in Fiduciary Net Position present information detailing the revenues and expenses that resulted in the change in net position that occurred during the current fiscal year. All revenues and expenses are reported on an accrual basis. This means that the revenue or expense is recognized as soon as the underlying event giving rise to the change occurs, regardless of when the actual cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will not result in cash flows until future fiscal periods. For example, contributions due from a public entity, even though not yet paid by year end, will be reflected as revenue. Likewise, claims that occurred during the fiscal year under self-funded plans will be reflected as an expense, whether or not they have been paid as of the end of the fiscal year.

The Statement of Cash Flows presents the cash inflows and outflows of the ISF categorized by operating, capital and related financing, and investing activities. It reconciles the beginning and end of year cash balances contained in the Statement of Net Position. The effects of accrual accounting are adjusted out and noncash activities, such as depreciation, are removed to supplement the presentation in the Statement of Revenue, Expenses and Change in Net Position. A statement of cash flows is not required for the SRWBT.

The Notes to Financial Statements follow the above basic financial statements and provide additional information that is essential to a full understanding of the data provided in the financial statements.

FINANCIAL ANALYSIS

The following tables present summarized financial position and results for the fiscal years ending June 30, 2015 and 2014. Additional details are available in the accompanying basic financial statements.

Summary Comparative Statements of Net Position

Current assets for the ISF decreased for the year ended June 30, 2015 after having increased in 2014 due to changes in cash and cash equivalents as a result of operating activities. Capital asset activity has been minimal as operations have not changed significantly during the years presented.

With the adoption of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, an amendment to GASB Statement No. 27, deferred outflows of resources of $539,717 presented deferred outflow for pension contributions made and expensed during the fiscal year ended June 30, 2015. As the fiscal year ended June 30, 2015, was the initial year of adoption, the Plan did not have similar activity in the prior year.

Accrued medical claims and fees decreased for the ISF for the year ended June 30, 2015 over 2014, due primarily to a decrease in the IBNR (incurred but not reported) estimate related to the current pattern of expected medical claims expenditures. Health risk profiles of plan participants remained relatively stable for the period and estimates are reflective of the active enrollment and medical trend projections during the year.

Unearned premiums and other liabilities for the periods ended June 30, 2015 and 2014 are primarily influenced by the State's contribution at June 30th for each of the years ended and the level of contribution applicable to the receipt. For the ISF unearned premiums at June 30, 2015,

increased by three percent over fiscal year 2014, due primarily to the State's contribution at June 30, 2015 and the respective levels of appropriated funding from the State included with these receipts. Unearned premiums and other liabilities are most significantly influenced by the state's payroll cycle and the timing of receipt of premium payments to MCHCP prior to the effective date of coverage.

Noncurrent liabilities existing at June 30, 2015 reflect the Plan's net pension liability related to the initial year of implementation of GASB 68, *Accounting and Financial Reporting for Pensions*.

Summary Comparative Statement of Net Position

Internal Service Fund

	As of June 30, 2015	*As of June 30, 2014*	*Amount of Change*	*Percentage Change*
Assets				
Current assets	$211,234,466	$215,079,048	($3,844,582)	(1.79%)
Capital assets	304,082	249,401	54,681	21.92
Deferred Outflow of Resources	**539,717**	**0**	**539,717**	0.00
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	**$212,078,265**	**$215,328,449**	**($3,250,184)**	**(1.51%)**
Liabilities				
Accrued medical claims & fees	$37,275,405	$38,215,392	($939,987)	(2.46%)
Unearned premiums & other liabilities	34,568,556	33,511,433	1,057,123	3.15
Total current liabilities	71,843,961	71,726,825	117,136	0.16
Total noncurrent liabilities	3,718,667	0	3,718,667	0.00
Deferred Inflow of Resources	**$1,084,272**	**$0**	**$1,084,272**	**0.00**
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	**$76,646,900**	**$71,726,825**	**$4,920,075**	**6.86%**
Net Position				
Unrestricted	$135,127,283	$143,351,534	($8,224,251)	(5.74%)
Invested in capital assets, net of related debt	304,082	250,090	53,992	21.59
Total Net Position, adjusted	**135,431,365**	**143,601,624**	**(8,170,259)**	**(5.69)**
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	**$212,078,265**	**$215,328,449**	**($3,250,184)**	**(1.51%)**

Summary Comparative Statement of Fiduciary Net Position

Cash and cash equivalents decreased primarily due to the timing of investment strategies and activity as approved by the Board of Trustees and performed by the Plan's investment manager. Investments increased at June 30, 2015, by over 6 percent due to the overall performance of the fund and the concentration mix of scheduled available assets.

Prescription drug rebates for the SRWBT increased during fiscal year 2015, as a result of the Plan's increases in pharmacy and specialty drug expenditures and the related employer group waiver plan direct and coverage gap discounts associated with those payments.

Investment activity and the reduction in the accrued medical claims and capitation fees based upon the overall actuarial projection of IBNR (incurred but not reported) of the SRWBT are the primary influencers of the increase in net position at June 30, 2015, to $106.9 million as compared to $102.3 million at June 30, 2014.

Summary Comparative Statement of Fiduciary Net Position

State Retiree Welfare Benefit Trust

	As of June 30, 2015	*As of June 30, 2014*	*Amount of Change*	*Percentage Change*
Assets				
Cash & cash equivalents	$3,401,626	$5,926,996	($2,525,370)	(42.61%)
Due from MCHCP	13,459,620	12,940,458	519,162	4.01
Investments, at fair value	98,808,072	92,664,440	6,143,632	6.63
Receivables				
Prescription drug rebates	$4,393,204	$3,377,285	$1,015,919	30.08%
Other receivables	301,807	303,703	(1,896)	(0.62)
Total receivables	4,695,011	3,680,988	1,014,023	27.55
Total Assets	**$120,364,329**	**$115,212,882**	**$5,151,447**	**4.47%**
Liabilities				
Accrued medical claims & capitation fees	$7,781,000	$8,108,000	($327,000)	(4.03%)
Unearned revenue	3,714,698	3,716,579	(1,881)	(0.05)
Other liabilities	1,963,922	1,115,879	848,043	76.00
Total Liabilities	**$13,459,620**	**$12,940,458**	**$519,162**	**4.01%**
NET POSITION, HELD IN TRUST FOR OTHER POST-EMPLOYMENT BENEFITS	**$106,904,709**	**$102,272,424**	**$4,632,285**	**4.53%**

Summary Comparative Statements of Revenue, Expenses & Changes in Net Position

State/Employer contributions for fiscal years 2015 and 2014, for the ISF totaled $324,630,770 and $314,696,927, respectively. Funding for the years represented are attributable to the State's appropriation to fund the claims costs and operations expense attributable to State employee health benefits. Ultimately, claims costs for state employees are backed by the State of Missouri should State/Employer contributions not be sufficient to cover claims needs.

Member contributions for the ISF for the years ended June 30, 2015 and 2014, are influenced primarily by total enrollment, the mix of enrollment and the relative plan design for the respective years. During fiscal year 2015, active enrollment in the ISF decreased by approximately one percent.

Public entity enrollment at June 30, 2015, decreased approximately seven percent over enrollment at June 30, 2014, although public entity contributions remained relatively stable due to the mix of enrollment for the year. Contributions for the years ended June 30, 2015 and 2014, were $8,063,991 and 8,234,207, respectively.

Subcontractor rebates are primarily influenced by the Plan’s prescription drug expenditures, active enrollment, and the related contractual rebate assignments.

Medical claims and capitation expense increased by over five percent during fiscal year 2015, and was primarily related to the Plan’s increased expenditures for pharmacy and specialty drugs and anticipated normal fluctuations in medical claims trends.

With the Plan’s implementation of GASB 68, *Accounting and Financial Reporting for Pensions*, an amendment to GASB Statement 27, beginning net position was adjusted by $4,438,872 to reflect the liability calculated as of June 30, 2013.

Summary Comparative Statement of Revenue, Expenses & Change in Net Position

Internal Service Fund

	Year ended June 30, 2015	*Year ended June 30, 2014*	*Amount of Change*	*Percentage Change*
Operating Revenues				
State/employer contributions	$324,630,770	$314,696,927	$9,933,843	3.16%
State employee/member contributions	83,734,256	87,402,560	(3,668,304)	(4.20)
Public entity contributions	8,063,991	8,234,207	(170,216)	(2.07)
Subcontractor & other rebates	5,689,731	7,684,071	(1,994,340)	(25.95)
Total Operating Revenues	**$422,118,748**	**$418,017,765**	**$4,100,983**	**0.98%**
Operating Expenses				
Medical claims & capitation expense	$419,469,510	$398,471,874	$20,997,636	5.27%
General & administration expense	7,116,219	7,250,492	(134,273)	(1.85)
Total Operating Expenses	$426,585,729	$405,722,366	$20,863,363	5.14%
Operating income	(4,466,981)	12,295,399	(16,762,380)	(136.33)
Investment income & other changes	735,595	877,940	(142,345)	(16.21)
Excess of revenues over expenses	(3,731,386)	13,173,339	(16,904,725)	(128.33)
Net position, beginning of the year, adjusted	139,162,752	130,428,285	8,734,467	6.70
NET POSITION, HELD IN TRUST FOR OTHER POST-EMPLOYMENT BENEFITS	**$135,431,366**	**$143,601,624**	**($8,170,258)**	**(5.69%)**

Summary Comparative Statement of Change in Fiduciary Net Position

Employer contributions for the SRWBT for the years ended June 30, 2015 and 2014, respectively were $62,585,666 and $56,314,655 and are attributable to the State's appropriation to fund the claims costs and operations expense attributable to State employee health benefits. Ultimately, claims costs for state employees are backed by the State of Missouri should State/ Employer contributions not be sufficient to cover claims needs.

Beginning January 1, 2006, Medicare prescription drug coverage was made available to all people with Medicare, regardless of income, health status, or current health care. Because the prescription drug coverage offered by MCHCP was actuarially considered, on average for all plan participants, at least as good as standard Medicare coverage, members were encouraged to keep their MCHCP coverage. Beginning in calendar year 2014, MCHCP began participating in a Medicare Prescription Drug Plan to provide coverage to Medicare-primary retirees and dependents. The program anticipates greater savings to the employer over the retiree drug subsidy (RDS). During fiscal years 2015, and 2014 the SRWBT received $14,865,605 reflecting a full year of the change and $6,849,482, respectively for retiree drug subsidy and other rebates.

Medical claims and capitation expense increased for the SRWBT by over 12 percent during fiscal year 2015, primarily due to increased retiree enrollment in the SRWBT of approximately three percent and the Plan's increased expenditures for pharmacy and specialty drugs and anticipated normal fluctuations in medical claims trends.

Summary Comparative Statement of Change in Fiduciary Net Position

State Retiree Welfare Benefit Trust

	Year ended June 30, 2015	*Year ended June 30, 2014*	*Amount of Change*	*Percentage Change*
Additions				
Employer contributions	$62,585,666	$56,314,655	$6,271,011	11.14%
Retiree contributions	50,343,105	50,921,465	(578,360)	(1.14)
Investment income	4,003,656	11,790,754	(7,787,098)	(66.04)
Retiree drug subsidy & other rebates	14,865,605	6,849,482	8,016,123	117.03
Total Additions	**$131,798,032**	**$125,876,356**	**$5,921,676**	**4.70%**
Deductions				
Medical claims & capitation expense	$118,668,233	$105,340,449	$13,327,784	12.65%
Claims administration services	5,865,488	5,110,073	755,415	14.78
Administration & other	2,632,026	2,681,689	(49,663)	(1.85)
Total Deductions	**$127,165,747**	**$113,132,211**	**$14,033,536**	**12.40%**
Net increase	4,632,285	12,744,145	(8,111,860)	(63.65)
Net position, held in trust for other post-employment benefits				
Beginning of year	102,272,424	89,528,279	12,744,145	14.23
END OF YEAR	**$106,904,709**	**$102,272,424**	**$4,632,285**	**4.53%**

SUMMARY

MCHCP remains committed to providing comprehensive and affordable health care to the members we serve, effectuating sound fiscal practices as stewards of Plan resources, and remaining diligent in our efforts in providing member education to facilitate member satisfaction and cost containment. Wellness and disease management programs were introduced and are incorporated in an effort to promote healthy member outcomes and to promote cost containment. Operating expenses and vendor costs remained relatively stable due to competitive procurement with investments in technology and automation in Plan operations. Medical and pharmacy cost increases reflect expected fluctuations due to the emergence of specialty drug cost prevalence and normal medical claim trends. Moderate increases associated with self-funded expenditures, are indicative of the attention to health risk profiles of the MCHCP population and management initiatives surrounding benefit design, disease management and wellness. In March of 2014, the Plan launched the Strive for Wellness Health Center as an additional effort to promote appropriate utilization, provide members with additional access to services, while continuing to pursue avenues for cost containment. The health center realized a near breakeven in its initial full year of operation while reporting optimum member satisfaction results.

MCHCP's cash is invested conservatively in overnight repurchase agreements to preserve principal and maintain liquidity. In addition, the Plan utilizes a master investment policy and instruments are predicated on an asset allocation model approved by the Board of Trustees. Investment income for the ISF and SRWBT consists of interest income, unrealized gains and losses in fair value, accretion of discounts, and amortization of premiums. Investment income for the ISF and the SRWBT combined was realized in the amount of $4,739,251 and $12,668,694 for fiscal year's ended June 30, 2015 and 2014, respectively, and is predicated on the availability of investable assets and the economic conditions influencing market conditions.

MCHCP's actuary reviews the financial assets of MCHCP in conjunction with obligations and the funding available as provided by the Missouri General Assembly. Due to the state of economic conditions facing the State, the MCHCP, members of the General Assembly, and the State's Office of Budget and Planning meet regularly to discuss funding needs and projected claims expenditures in an effort to develop funding levels for the Plan. Ultimately, the funding of claims costs are backed by the State of Missouri should contributions be unable to meet claims obligations.

During the years presented, MCHCP faced a tightened State budget, which compelled it to continue to pursue opportunities in cost containment, member engagement in healthy outcomes and changes to benefit offerings. Combined with expected continued escalation in health care costs, MCHCP faces significant challenges in an effort to provide affordable health care coverage to its members. As a result, MCHCP has explored a full range of viable options to accommodate the State budget while continuing to offer comprehensive and affordable coverage to its members. Wellness and disease management programs are the progressive instrument to continue to foster healthier outcomes and reduce claims expenditures. MCHCP's wellness incentives are designed to incorporate and promote best in class initiatives. The overall financial position of MCHCP is reliant upon state funding, cost containment and comprehensive benefits review of the self-funded programs to continue to generate a healthier membership in MCHCP.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of MCHCP's financial position for all those with an interest in MCHCP. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Missouri Consolidated Healthcare Plan, 832 Weathered Rock Court, PO Box 104355, Jefferson City, Missouri 65110-4355.

Statement of Net Position

Internal Service Fund as of June 30, 2015

Assets	*2015*
Current Assets	
Cash & cash equivalents	$170,421,663
Investments, at fair value	37,324,064
Rebates & other receivables	3,441,168
Prepaid expenses	47,571
Total Current Assets	**$211,234,466**
Noncurrent Assets	
Capital assets	
Furniture, fixtures & equipment, net of accumulated depreciation of $2,506,802	304,082
Total Noncurrent Assets	**304,082**
Deferred Outflow of Resources	539,717
TOTAL ASSETS AND DEFERRED OUTFLOW OF RESOURCES	**$212,078,265**
Liabilities	
Current Liabilities	
Accrued medical claims & capitation fee	$37,275,405
Accounts payable & accrued expenses	1,372,112
Due to SRWBT	13,459,620
Unearned premium revenue	19,736,824
Total Current Liabilities	**$71,843,961**
Noncurrent Liabilities	
Net pension liability	3,718,667
Total Noncurrent Liabilities	**3,718,667**
Deferred Inflow of Resources	1,084,272
TOTAL LIABILITIES AND DEFERRED INFLOW OF RESOURCES	**$76,646,900**
Net Position	
Current Liabilities	
Unrestricted	$135,127,283
Net investment in capital assets	304,082
Total Net Position	**$135,431,365**
TOTAL LIABILITIES, DEFERRED INFLOW OF RESOURCES AND NET POSITION	**$212,078,265**

The accompanying notes are an integral part of the financial statements.

Statement of Revenues, Expenses & Change in Net Position

Internal Service Fund year ended June 30, 2015

Operating Revenues	*2015*
State/employer contributions	$324,630,770
Member contributions	83,734,256
Public entity contributions	8,063,991
Pharmacy rebates	5,689,731
Total Operating Revenues	**$422,118,748**
Operating Expenses	
Medical claims & capitation expense	$403,830,055
Claims administration services	15,639,455
Payroll & related benefits	3,171,205
Health management	1,270,944
Administration	942,986
Professional services	1,132,123
Employee assistance program	598,961
Total Operating Expenses	**$426,585,729**
Operating revenues over (under) operating expenses	**(4,466,981)**
Non-Operating Revenues	
Investment & other income	$735,595
Change in net position	(3,731,386)
Net position, beginning of year, adjusted	**139,162,752**
NET POSITION, END OF YEAR	**$135,431,366**

The accompanying notes are an integral part of the financial statements.

Statement of Cash Flows

Internal Service Fund year ended June 30, 2015

Cash Flows	*2015*
Cash flows from operating activities	
Cash received from employer & members	$423,892,711
Cash payments for medical claims & capitation fee payments	(404,770,042)
Cash payments to employees for services	(3,346,855)
Cash payments to other suppliers of goods & services	(21,046,400)
Net cash used by operating activities	**(5,270,586)**
Cash flows from Noncapital Financing Activities	
Changes in amounts due to SRWBT	519,162
Net cash provided by noncapital financing activities	**519,162**
Cash flows from Capital & Related Financing Activities	
Purchase of furniture, fixtures & equipment	(213,220)
Net cash used by capital & related financing activities	**(213,220)**
Cash Flows from Investing Activities	
Cash received from investment income; net of investment expenses	725,198
Purchase of investments	(9,820,425)
Proceeds from investments	9,434,533
Net cash provided by investing activities	**339,306**
Net decrease in cash & cash equivalents	**(4,625,338)**
Cash & cash equivalents, beginning of year	**175,047,001**
CASH & CASH EQUIVALENTS, END OF YEAR	**$170,421,663**
Reconciliation of operating loss to net cash used by operating activities	
Operating revenues under operating expenses	(4,466,981)

Adjustments

Adjustments to net cash used by operating activities	
Depreciation	$158,540
Pension Expense	349,577
Changes in assets & liabilities	
Rebates & other receivables	(445,643)
Prepaid expenses	61,175
Accrued medical claims & capitation fees	(939,987)
Accounts payable & accrued expenses	(1,681,646)
Unearned premium revenue	2,219,606
Deferred outflows-contributions after the measurement date	(525,227)
Total adjustments	(803,605)
NET CASH USED BY OPERATING ACTIVITIES	**($5,270,586)**
Noncash investing, capital & financing activities	
Change in fair value of investments	(72,790)

The accompanying notes are an integral part of the financial statements.

Statement of Fiduciary Net Position

State Retiree Welfare Benefit Trust as of June 30, 2015

Assets	*2015*
Cash & cash equivalents	$3,401,626
Due from MCHCP	13,459,620
Investments, at fair value	
Mutual funds	$22,604,361
Equities	19,925,219
Corporate	10,923,391
Collateralized Mortgage Obligations	14,471,329
U.S. Government Guaranteed Mortgages	16,541,409
U.S. Agencies	12,135,463
Equities (Pfd.)	1,609,900
U.S. Treasury	597,000
Receivables	
Prescription drug rebates	$4,393,204
Retiree drug subsidy	0
Other receivables	301,807
Total Assets	**$120,364,329**
Liabilities	
Accrued medical claims & capitation fees	$7,781,000
Unearned revenue	3,714,698
Other liabilities	1,963,922
Total Liabilities	**$13,459,620**
NET POSITION, HELD IN TRUST FOR OTHER POST-EMPLOYMENT BENEFITS	**$106,904,709**

The accompanying notes are an integral part of the financial statements.

Statement of Change in Fiduciary Net Position

State Retiree Welfare Benefit Trust for the year ended June 30, 2015

Additions	*2015*
Employer contributions	$62,585,666
Retiree contributions	50,343,105
Investment income	4,003,656
Retiree drug subsidy & other rebates	14,865,605
Total Additions	**$131,798,032**
Deductions	
Medical claims & capitation expense	$118,668,233
Claims administration services	5,865,488
Administration & other	2,632,026
Total Deductions	**$127,165,747**
Net Increase	4,632,285
Net position held in trust	
For other post-employment benefits	
Beginning of year	102,272,424
END OF YEAR	**$106,904,709**

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

1. GENERAL INFORMATION

The Missouri Consolidated Health Care Plan (MCHCP) or the Plan was statutorily created and organized on January 1, 1994, with the purpose of providing medical insurance benefits to the State of Missouri's (State) employees, retirees and their dependents as well as other Missouri public entity employees, retirees and their dependents. Prior to 1994, medical insurance benefits for the State's employees, retirees and their dependents were provided by Missouri State Employees' Retirement System (MOSERS) medical care plan. On January 1, 1994, through a transfer agreement between the Plan and MOSERS, all medical care plan assets and liabilities were transferred to the Plan.

The Plan currently has approximately 96,000 active and retired State members and dependents, 1,131 public entity members and dependents, and more than 97,000 covered lives, and is funded through both employer and employee contributions. Through December 31, 1994, all Plan members were State employees, retirees and their dependents. Beginning January 1, 1995, additional members included public entity employees, retirees and dependents.

State contribution rates are based on the State's approved appropriation and the number of anticipated participants. State employee and public entity contribution rates are established by the Plan's Board of Trustees based on contractor bids for the plan year and budgeted employer contributions.

MCHCP is a risk pool and administers an "agent multiple employer plan" because each employer remains individually responsible for financing its own commitment to provide benefits to its participants, including any eligible retirees. During the fiscal year ended June 30, 2008, MCHCP implemented the provisions of GASB Statement No. 43. As a result of implementation, MCHCP created a separate fiduciary trust fund (State Retiree Welfare Benefit Trust, or SWRBT) to handle the post-employment benefits for State employees.

SRWBT was established and organized on June 27, 2008, pursuant to the Revised Statutes of Missouri (2000) as amended ("RSMo") 103.003 through 103.178 to provide health and welfare benefits for the exclusive benefit of current and future retired employees of the State and their dependents who meet eligibility requirements except for those retired members covered by other post-employment benefit (OPEB) plans of the State. The SRWBT is considered a cost-sharing multiple employer plan because it covers various State agencies and legally separate component units. It is administered by Plan staff under the direction of the Plan Board of Trustees. The SRWBT does not issue a separate audited financial report.

Beginning June 30, 2009, the net position and activity related to active participants are reported in the Internal Service Fund (ISF), and the net position and activity related to retired participants are reported in the SRWBT in the accompanying financial statements. In the following footnotes, the term "the Plan" refers to both the ISF and SRWBT. Disclosures that are specific to the ISF or SRWBT are separately noted.

The Plan is considered a part of the State's financial reporting entity and is included in the State's financial report as a component unit. As the Plan is considered a political subunit of the State and provider of essential governmental services, it is not subject to federal income taxes, nor to the provisions of the Employee Retirement Income Security Act of 1974. The Plan is administered according to Missouri statutes. These statutes do not include a provision for the termination of the Plan.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities; the disclosure of contingent assets and liabilities at the date of the financial statements; and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting

The financial statements of the ISF are intended to present the financial position and the changes in cash flows of only that portion of the activities attributable to the transactions of the ISF. The ISF is accounted for as a proprietary fund.

The Plan's financial statements for the ISF were prepared using the accrual basis of accounting, in accordance with GAAP, as prescribed by the Governmental Accounting Standards Board (GASB). GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, establishes the GAAP hierarchy for proprietary funds. The statement requires that proprietary activities apply to all applicable GASB pronouncements. The Plan implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* for the fiscal year ended June 30, 2013. The objective of the statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. Effective for fiscal year ended June 30, 2015, the Plan adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* – an amendment to GASB Statement No. 27, which enhances accounting and financial reporting by state and local governments for pensions and improves information provided by the state and local governmental employers about financial support for pensions provided by other entities. With adoption, the Plan recognized the effect of a change in accounting principle in the amount of $4,953,618 for the net pension liability at the beginning of fiscal year 2015. The Plan will now recognize a long term liability for the net pension liability in the Statement of Net Position. See Note J for additional details regarding the Plan's retirement plan. The Plan must also apply Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins issued on or before Nov. 30, 1989, to the extent that they do not conflict with GASB pronouncements.

The financial statements of the SRWBT are intended to present the financial position and the changes in cash flow of only that portion of the activities attributable to the transactions of the SRWBT.

Benefits and refunds of the SRWBT are recognized when due and payable in accordance with the terms of the plan. The SRWBT is accounted for as a fiduciary fund. Accordingly, the financial statements are prepared using the accrual basis of accounting in conformity with GAAP.

B. Method Used to Value Investments

Investments are reported at fair value on a trade-date basis with changes in fair value recorded in investment income on the statement of revenues, expenses and change in net position. Investments are recorded at fair value as determined by quoted market price, when available, or estimated fair value when not available. Many factors are considered in arriving at that fair market value. In general, however, bonds and mortgages are valued based on yields currently available on comparable securities of issuers with similar credit ratings. Realized gains and losses are based on the specific identification basis. The calculation of realized gains and losses is independent of the calculation of the change in net unrealized gains and losses.

C. Deposits & Investments

The Plan considers all highly liquid investments, readily convertible into cash with original maturities of three months or less, to be cash equivalents.

CUSTODIAL CREDIT RISK

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Plan would not be able to recover deposits or collateral securities in the possession of an outside party. In an effort to mitigate custodial credit risk, the Plan requires the bank to sweep the accounts each night into overnight repurchase agreements for which the underlying securities must be of the type approved by the State. All remaining cash balances are to be insured or appropriately collateralized.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the transaction, the Plan would not be able to recover the value of investments or collateral securities in the possession of an outside party. The Plan does not have a formal policy regarding custodial credit risk. However, the bank acting as the investment manager has been approved by the Plan's Board of Trustees.

DEPOSITS

Cash balances represent operating bank account balances. To maximize investment income, the float caused by outstanding checks is invested in overnight repurchase agreements, thus causing a negative carrying value.

At June 30, 2015, cash held in the financial institution had a bank balance of $51,145 and a carrying value of ($18,106,601). Of the bank balance, $51,145 was covered by federal depository insurance. The remaining $191,929,890 of cash and cash equivalents are held in repurchase agreements and fully collateralized with securities held by a third-party financial institution in the Plan's name.

The Plan's contracted yield on its overnight repurchase agreements was 13 basis points above the prevailing 91-day U.S. Treasury Bill rate as of June 30, 2015.

INVESTMENTS

The Plan's investment policy for the ISF is predicated on the primary objectives of safety, liquidity, and yield, in order of priority. Investments in bankers' acceptances and commercial paper are required to mature and become payable not more than 180 days from the date of purchase. All other investments are required to mature and become payable not more than five years from the date of purchase. The weighted average life should not exceed three years and should be consistent with the investment objectives.

The Board of Trustees adopted an asset allocation model for the SRWBT that implemented a moderate investment approach allocating 33 percent to equities. This approach was approved to steadily increase the exposure of the SRWBT to higher return asset classes over time. Exposure to equities will be through a combination of actively managed index funds and/or exchange traded funds that are highly rated and reviewed regularly. Allocations are back-tested, and future assets are projected in all models. The Plan follows the "prudent person" rule for investment decisions. Essentially, the Plan operates as a prudent person acting in a like capacity and familiar with similar matters would act in the conduct of an enterprise of a like character and with like aims. Any person with fiduciary responsibilities with respect to the Plan is covered by this "prudent person" rule. As of June 30, 2015, the Plan had the following investments as presented below.

Investments — Internal Service Fund

Investments	*2015 Fair Value*
U.S. Agencies	$18,220,294
U.S. Government Guaranteed Mortgages	1,801,883
U.S. Treasury	17,301,887
TOTAL INVESTMENTS	**$37,324,064**

Investments — State Retiree Welfare Benefit Trust

Investments	*2015 Fair Value*
U.S. Agencies	$12,135,463
U.S. Government Guaranteed Mortgages	16,541,409
Corporate	10,923,391
Collateralized Mortgage Obligations	14,471,329
Equities (Pfd.)	1,609,900
Equities	19,925,219
Mutual Funds	22,604,361
U.S. Treasury	597,000
TOTAL INVESTMENTS	**$98,808,072**

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributed to the magnitude of the ISF's investment in a single issue. To mitigate this risk, the ISF's investment policy provides general guidelines on diversification.

Investments in U.S. Treasuries and securities, collateralized time and demand deposits, and collateralized repurchase agreements can constitute up to 100 percent of the investment portfolio; U.S. government agencies, including mortgage-backed securities, cannot exceed 60 percent of the portfolio; and U.S. government agency callable securities, bankers' acceptances and commercial paper cannot exceed 30 percent of the portfolio. The SRWBT has implemented an investment approach allocating 33 percent to equities.

CREDIT RISK

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The Plan minimizes this risk by only authorizing investment types approved by the Treasurer of the State of Missouri, limiting investments to the safest types of securities, and diversifying the portfolio so potential losses on individual securities will be minimized. The Plan's investments by credit rating category as of June 30, 2015, are presented below.

Credit Risk

Internal Service Fund

Investments	*2015 Fair Value*	*2015 Ratings*
U.S. Agencies	$18,220,294	Aaa/AA+
U.S. Government Guaranteed Mortgages	1,801,883	Aaa/AA+
U.S. Treasury	17,301,887	Aaa/AA+
TOTAL INVESTMENTS	**$37,324,064**	

Credit Risk

State Retiree Welfare Benefit Trust

Investments	*2015 Fair Value*	*2015 Ratings*
U.S. Agencies	$12,135,463	Aaa/AA+
U.S. Government Guaranteed Mortgages	16,541,409	Aaa/AA+
Corporate	10,923,391	A2/A
Collateralized Mortgage Obligations	14,471,329	Aaa/AA+
Equities (Pfd.)	1,609,900	A2/A
Equities	19,925,219	A
Mutual Funds	22,604,361	3-Star
U.S. Treasury	597,000	Aaa/AA+
TOTAL INVESTMENTS	**$98,808,072**	

INTEREST RATE RISK

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Plan minimizes this risk by structuring the portfolio so securities mature to meet cash requirements for ongoing operations, using cash flow modeling to moderate the interest rate risk by reducing any unanticipated security sales that could result in a loss of principal and, maintaining the operating funds primarily in repurchase agreements according to the banking contract.

For the interest rate risk measurement for the Plan, Central Bank employs the duration method. The maturities of the Plan's investments as of June 30, 2015 are presented below.

Interest Rate Risk

Internal Service Fund

Investments	*2015 Fair Value*	*2015 Duration*
U.S. Agencies	$18,220,294	2.14
U.S. Government Guaranteed Mortgages	1,801,883	3.22
U.S. Treasury	17,301,887	2.18
TOTAL INVESTMENTS	**$37,324,064**	

Interest Rate Risk

State Retiree Welfare Benefit Trust

Investments	*2015 Fair Value*	*2015 Duration*
U.S. Agencies	$12,135,463	6.17
U.S. Government Guaranteed Mortgages	16,541,409	5.73
Corporate	10,923,391	6.10
Collateralized Mortgage Obligations	14,471,329	4.00
Equities (Pfd.)	1,609,900	5.00
Equities	19,925,219	-
Mutual Funds	22,604,361	-
U.S. Treasury	597,000	6.47
TOTAL INVESTMENTS	**$98,808,072**	

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. The Plan has no investments subject to foreign currency risk.

D. Interfund Activity & Balances

As disclosed above, the ISF provides all administrative responsibilities related to SRWBT, which has no separate facilities or staff. Expenses directly attributable to SRWBT are charged to SRWBT. Other operating expenses, including personnel, are allocated between the ISF and the SRWBT based on participant counts for retired and active participants.

The balance of the inter fund receivable/payable represents the excess of SRWBT contributions collected by the ISF Plan over expenses paid by the ISF Plan for SRWBT.

E. Receivables

Beginning January 1, 2014, the Plan began offering an Employer Group Waiver Plan (EGWP), a Medicare Part D prescription drug plan (PDP) to Medicare eligible retirees and covered Medicare eligible dependents. Estimated revenue is recognized as the SRWBT incurs Medicare eligible retiree prescription drug expenditures. In addition, the Plan receives rebates from its pharmacy benefit manager related to manufacturers' rebates and other guaranteed rebates for non-Medicare Part D prescriptions. For the year ended June 30, 2015, these rebates are allocated between the ISF and the SRWBT based upon claims activity. Estimated revenue is recognized for rebates based on prescription claims counts and historical average rebate per claim.

Other receivables include interest income and member premium amounts.

F. Furniture, Fixtures & Equipment

Furniture, fixtures and equipment are capitalized at cost when acquired. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Furniture and fixtures are depreciated over a 10-year useful life. Data processing equipment is depreciated over a five-year useful life. The threshold for the capitalizing of fixed assets is $1,000.

Maintenance and repairs are charged to expense as incurred. The cost and related accumulated depreciation of assets sold or retired are removed from the related accounts, and the resulting gains or losses are reflected as non-operating gains or losses in the statement of revenues, expenses and change in net position. The changes in Furniture, Fixtures and Equipment for the year ended June 30, 2015, are as presented in the chart below.

Furniture, Fixtures & Equipment

Missouri Consolidated Health Care Plan

Additions	*2015*
Balance, beginning of year	$2,695,906
Additions	213,220
Deletions	(98,242)
BALANCE, END OF YEAR	**$2,810,884**
Accumulated Depreciation	
Balance, beginning of year	$2,446,505
Depreciation expense	158,539
Deletions	(98,242)
BALANCE, END OF YEAR	**$2,506,802**

G. Plan Funding

STATE APPROPRIATIONS/CONTRIBUTIONS
Funds are appropriated to the Plan by the Missouri General Assembly. Premiums are received one-half prior to the month of coverage and one-half during the month of coverage. Funds are received by the Plan every two weeks and coincide with the State's payroll cycle. The State's monthly per-member active contribution for fiscal year 2015, averaged $695 per month. The State's contribution per member to fund the current fiscal year cost of retiree plan benefits for the years ended June 30, 2015 and 2014 averaged 4.18 percent of active employee covered payroll.

The State did not provide additional funding towards future OPEB benefits for the period ended June 30, 2015. All state appropriations are available to pay benefits for both active and retired participants except for the amounts contributed to fund the OPEB reserve.

MEMBER PREMIUMS
Monthly member premiums for State employees are established annually by the Plan's Board of Trustees. These premiums are deducted from employee payroll checks in advance. Additionally, the Plan bills members who are not receiving payroll checks two weeks in advance.

PUBLIC ENTITY PREMIUMS
Monthly public entity premiums are established annually by the Plan's Board of Trustees. The Plan bills the public entities two weeks in advance.

UNEARNED PREMIUM REVENUE
Unearned premium revenue includes premium revenue from the members, public entities, and the State received in advance of the month coverage is provided.

OPERATING/NON-OPERATING REVENUES
Operating revenues and expenses reflect items directly related to providing health benefits to members. Non-operating revenues and expenses represent investment income and other items not directly related to providing health benefits to members.

H. Other Post-Employment Benefits

Employees may participate in state-sponsored medical coverage in retirement based on Plan criteria. At June 30, 2015, there were 20,135 retirees and their dependents who met these eligibility requirements.

For the years ended June 30, 2015, expenditures (net of retiree contributions) of $119 million were recognized for post-retirement medical insurance coverage under the self-funded PPO, and less than $19,000 under the fully insured PPO option.

FUNDED STATUS AND FUNDING PROGRESS
The funded status of the SRWBT as of the most recent actuarial valuation is presented below.

Schedule of Funding Progress ($ in millions)

	State Retiree Welfare Benefit Trust
Fiscal Year Ending	*2015*
Actuarial Value of Assets (a)	$106.9
Actuarial Accrued Liability (b)	$1,813.5
Unfunded/(Overfunded) AAL (UAAL) (b)-(a)	$1,706.6
Funded Ratio (a)/(b)	5.9%
Covered Payroll (c)	$1,583.7
UAAL as a Percentage of Covered Payroll [(b)-(a)/(c)]	107.8%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events into the future. Examples include assumptions about future employment, mortality, and the health care cost trend. Actuarially determined amounts are subject to continual revision, as actual results are compared with past expectations and revised estimates are made about future costs. The estimated actuarial accrued liability reflected above is based on the substantive plan in place at the time of the latest actuarial valuation. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued benefits.

The accompanying schedule of employer contributions, presented as required supplementary information, presents trend information about the amounts contributed to the plan by employers in comparison to the amount that is actuarially determined in accordance with the requirements of GASB Statement No. 43. The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs for each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost-sharing between the employer and plan members in the future. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Projections include a broad array of complex social and economic events, such as the emergence of new and expensive medical procedures and prescription drug options, changes in investment rates of return, and other uncertainties. As such, the estimate of post-retirement program costs contains considerable uncertainty and variability, and actual experience may vary significantly from the current estimated obligation. Additional information as of the latest actuarial valuation is presented below.

Summary Of Key Actuarial Methods & Assumptions

	State Retiree Welfare Benefit Trust
Valuation Year	*July 1, 2014 - June 30, 2015*
Actuarial cost method	Entry age normal, level percent of pay
Amortization method	30 years, open, level percent of pay
Asset valuation method	Market value

Actuarial Assumptions

Discount rate	6.0%
Projected payroll growth rate	4.0%
Inflation rate	3.0%
Health care cost trend rate (medical & prescription drugs combined)	

Non-Medicare is 6.8% for Fiscal 2015; the rate decreases by 0.3% per year to an ultimate rate of 5.0% in Fiscal 2021 and later. Medicare is 7.0% for Fiscal 2015; the rate decreases by 0.4% per year through Fiscal 2019, then by 0.2% per year until reaching the ultimate rate of 5.0% in Fiscal 2021 and later.

EMPLOYER DISCLOSURES
Participating employers, upon their implementation of GASB No. 45, are required to disclose additional information with regard to funding policy, the employer's annual OPEB costs and contributions made, the funded status and funding progress of the employer's individual plan, and actuarial methods and assumptions used. Employer disclosures for MCHCP can be found in footnote M.

I. Medical Claims & Capitation

As of June 30, 2015, the Plan insured approximately 92 percent of its members through PPO contracts. Third-party administrators are paid a contracted administrative fee per subscriber for the self-insured contracts, with the Plan bearing all administrative and medical claims costs of providing coverage to the members. Enrollment in the High Deductible Health Plan increased to approximately 8% for the year ended June 30, 2015, representing an increase over enrollment at June 30, 2014, of approximately 7%.

The liability for estimated accrued claims and processing costs is based on an actuarial estimate of the ultimate cost of settling such claims due and payable as of the balance sheet date (including claims reported and in process of settlement, claims reported but not yet processed for settlement, and claims incurred for services provided but not yet reported or processed for settlement). The estimated actuarial liability reflects certain assumptions, which include such factors as enrollment and utilization. Adjustments to the estimated actuarial liability for the final settlement of claims will be reflected in the year that actual results of the settlement of the claims are made and are known.

As of June 30, 2015, $3,897,405, is included in accrued medical claims and capitation fee expenses for accrued PPO capitation expenses. Additionally, $41,159,000 at June 30, 2015, is included in estimated accrued medical costs for claims incurred but not yet paid under the Plan's self-funded products. Although management believes these estimates are adequate, the ultimate liability may be more or less than the amounts recorded.

The methods for making such estimates and for establishing the resulting liabilities are continually reviewed, and any adjustments are reflected in current operations. Contingent liabilities exist with respect to claims covered under the Plan in the event a contracted provider or carrier is unable to meet its obligations to the Plan. Changes in estimated accrued claims for fiscal year 2015 is presented below and on the following page.

Summary of Changes in Estimated Accrued Claims

Internal Service Fund

Balances	*2015*
Balance, beginning of year	$34,966,000
Current year claims & changes in estimates	232,176,809
Claim payments	(233,764,809)
BALANCE, END OF YEAR	**$33,378,000**

Summary of Changes in Estimated Accrued Claims

Balances	State Retiree Welfare Benefit Trust *2015*
Balance, beginning of year	$8,108,000
Current year claims & changes in estimates	118,976,836
Claim Payments	(119,303,836)
BALANCE, END OF YEAR	**$7,781,000**

J. Retirement Plan

GENERAL INFORMATION ABOUT THE PENSION PLAN

Plan description. Benefit eligible employees of MCHCP are provided with pensions through MOSERS – a cost-sharing multiple-employer defined benefit pension plan. Chapter 104.320 of the Revised Statutes of Missouri grants the authority to establish a defined plan for eligible state and other related agency employees. MOSERS issues an annual Comprehensive Annual Financial Report (CAFR), a publicly available report that can be obtained at *www.mosers.org*.

Benefits provided. MOSERS provides retirement, disability, and life insurance benefits to eligible employees. The base retirement benefits are calculated by multiplying the employee's final average pay by a factor multiplied by the years of credited service. The factor is based on the specific plan in which the employee participates, which is based on the employee's hire date. Information on the three plans administered by MOSERS (MSEP, MSEP 2000, and MSEP 2011 retirement plans) and how eligibility and the benefit amount is determined for each plan may be found in the Notes to the Financial Statements of MOSERS' CAFR starting on page 30.

Contributions. Per Chapter 104.436 of the Revised Statutes of Missouri, contribution requirements of the active employees and the participating employers are established and may be amended by the MOSERS Board of Trustees. Employees in the MSEP2011 Plan are required to contribute 4.0 percent of their annual pay. MCHCP's required contribution rate for the year ended June 30, 2015, was 16.97 percent of annual payroll, actuarially determined as an amount that, when combined with employee contributions, is expected to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The contribution rate for the MOSERS plan year ended June 30, 2014 was 16.98 percent, which is the year of measurement for the net pension liability. Contributions to the pension plan from MCHCP were $514,746 for the year ended June 30, 2014.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of MOSERS and additions/deductions from MOSERS' fiduciary net position have been determined on the same basis as they are reported by MOSERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

At June 30, 2015, MCHCP reported a liability of $3,718,668 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

The MCHCP proportion of the net pension liability was based on MCHCP's actual share of contributions to the pension plan relative to the actual contributions of all participating employers for MOSERS plan year ended June 30, 2014. At June 30, 2014, MCHCP's proportion was 0.1577 percent, which remained unchanged from the percentage used to allocate the liability as of June 30, 2013, since this was the initial implementation year.

There were no changes in benefit terms during the MOSERS plan year ended June 30, 2014, that affected the measurement of total pension liability.

For the year ended June 30, 2015, MCHCP recognized pension expense of $349,577. At June 30, 2015, MCHCP reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Outflows/Inflows of Resources Related to Pensions

	Deferred Outflows of Resources	*Deferred Inflows of Resources*
Differences between expected and actual experience	$14,490	$0
Changes of assumptions	0	0
Net difference between projected and actual earnings on pension plan investments	0	1,084,272
Changes in proportion and differences between MCHCP contributions and proportionate share of contributions	0	0
MCHCP contributions subsequent to the measurement date of 6-30-14	525,227	0
TOTAL	**$539,717**	**$1,084,272**

Contributions of $525,227 reported as deferred outflows of resources related to pensions resulting from MCHCP contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in MCHCP's fiscal year following MOSERS' fiscal year as follows:

Projected Recognition of Outflows/(Inflows)

Plan Year ending June 30:	
2016	$(266,038)
2017	$(266,038)
2018	$(266,038)
2019	$(271,068)
2020	$0
Thereafter	$0

Assumptions. The total pension liability in the June 30, 2014 actuarial valuation, which is also the date of measurement for GASB 68 purposes, was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent, approximate
Salary increases inflation	3.0 to 5.9 percent annually, average, including
Investment rate of return net after	8.0 percent per year, compounded annually, investment expenses and including inflation

Mortality rates were based on the RP-2000 combined healthy mortality table projected to 2016 with Scale AA. The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial study, the MOSERS Board of Trustees made various demographic assumption changes to more closely reflect actual experience. The most significant change was lowering the assumed annual investment rate of return from 8.5 percent to 8 percent.

The long term expected rate of return on pension plan investments was determined using a building block method in which best estimates rates of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in MOSERS target asset allocation as of June 30, 2014 are summarized in the following table:

Asset Class Allocation

	Policy Allocation	*Long-term Expected Real Rate of Return**	*Weighted Average Long-Term Expected Real Rate of Return*
Beta Balanced	76.6%	5.7%	4.4%
Illiquids**	19.2%	7.3%	1.4%
Old Portfolio***	4.2%	6.0%	0.2%
TOTAL	**100%**		**6.0%**

* Represent best estimates of geometric rates of return for each major asset class included.

** Illiquid portfolio upper limit of 27.5% of capital, no new commitments past 23%.

*** As of June 30, 2014, MCHCP was in the final stages of transitioning from a portfolio allocation consisting of 45% public entities, 30% public debt, and 25% alternative investments (old portfolio) to a new target allocation of 80% beta-balanced and 20% illiquids.

Discount rate. The discount rate used to measure the total pension liability was 8.0 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from employers will be made at required rates, actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents MCHCP's proportionate share of the net pension liability calculated using the discount rate of 8.0 percent, as well as what MCHCP's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.0 percent) or 1 percentage point higher (9.0 percent) than the current rate:

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	1% Decrease (7.0%)	*Current Discount Rate (8.0%)*	*1% Increase (9.0%)*
MCHCP's proportionate share of the net pension liability	$5,767,797	$3,718,668	$1,990,250

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued MOSERS financial report.

Additionally, the Plan did not report any payables to MOSERS at June 30, 2015.

K. Deferred Compensation Plan

The State of Missouri Deferred Compensation Plan is a voluntary defined contribution plan offered in compliance with IRS Code Sections 457 and 401(a). The Plan is administered by MOSERS in accordance with Sections 105.900 to 105.927 of the Revised Statutes of Missouri. MOSERS has retained ICMA-RC for participant account record keeping and processing services since November 2011. The Plan offers all state employees the opportunity to save for retirement with before and after tax (Roth) money. New permanent full-time and part-time employees are automatically enrolled in the plan at a 1% contribution per pay period made via payroll deduction.

Audited financial statements for the State of Missouri Deferred Compensation Plan can be viewed on MOSERS website at *www.mosers.org*.

L. Employee Assistance Program

An employee assistance benefit program is offered to all State employees and their immediate families. The program, serviced through ComPsych, offers six no-cost mental health counseling sessions per problem, per year and can be accessed 24 hours a day through a toll-free number.

M. Post-Employment Retiree Health Care

For the year ended June 30, 2008, MCHCP adopted GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. However, all State agencies and component units are included in the State's post-employment retiree health care calculations.

Schedule of Percentage of OPEB Cost Contributed

Missouri Consolidated Health Care Plan

Fiscal Year Ending	*2015*
Annual OPEB Cost	$108,265,387
Percentage of OPEB Cost Contributed	57.8%
Net OPEB Obligation	$321,342,635

Thus, separate information is not available for MCHCP, which is a component unit of the State. For fiscal year 2015, MCHCP contributed $130,035 for its employees in accordance with the State's funding policy toward the annual required contribution (ARC) for post-employment retiree health care. These financial statements include the OPEB Plan in which MCHCP participates. See note H for further information regarding the OPEB plan.

N. Change in Accounting Principle

For fiscal year ended June 30, 2015, MCHCP implemented GASB Statement No. 68, *Accounting and Financial Report for Pensions*, as amended by GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements established standards for measuring and recognizing liabilities, deferred outflows and inflows of resources, and expense/expenditures. As a result of the implementation, net position as of July 1, 2014 was restated as follows:

Net position, as previously reported	$143,601,624
Prior period adjustment	
Net pension liability (measurement date of June 30, 2013)	(4,953,618)
Deferred outflows	
Contributions during the fiscal year ended June 30, 2014	$514,746
Total prior period adjustment	(4,438,872)
Net position, as restated	$139,162,752

REQUIRED SUPPLEMENTARY INFORMATION

Who's counting?

We are.

MCHCP depends on our members to take an active role in participating in their health and wellness decisions.

Schedule of Claims Development

	2015 - Total	*2015 - Active*	*2015 - Retiree*
	July 1, 2014- June 30, 2015	July 1, 2014- June 30, 2015	July 1, 2014- June 30, 2015
Fiscal Year			
Required contribution & investment income	$546,588,384	$414,790,352	$131,798,032
Administrative and third-party expenses	31,253,188	22,755,674	8,497,514
ESTIMATED INCURRED CLAIMS & EXPENSES END OF POLICY YEAR	**$515,335,196**	**$392,034,678**	**$123,300,518**
Paid Claims Summary			
Paid (cumulative) as of	July 1, 2014- June 30, 2015	July 1, 2014- June 30, 2015	July 1, 2014- June 30, 2015
END OF POLICY YEAR	**$430,201,000**	**$325,878,000**	**$104,323,000**
One year later	---	---	---
Two years later	---	---	---
Incurred Claims Summary			
Re-estimated incurred claims & expenses	July 1, 2014- June 30, 2015	July 1, 2014- June 30, 2015	July 1, 2014- June 30, 2015
End of policy year	$464,270,000	$353,611,000	$110,659,000
One year later	---	---	---
Two years later	---	---	---
INCREASE (DECREASE) IN ESTIMATED INCURRED CLAIMS & EXPENSES FROM END OF POLICY YEAR	**$51,065,196**	**$38,423,678**	**$12,641,518**

State Actives & Retirees

2014 - Total	*2014 - Active*	*2014- Retiree*	*2013 - Total*	*2012 - Total*
July 1, 2013- June 30, 2014	July 1, 2013- June 30, 2014	July 1, 2013- June 30, 2014	July 1, 2012- June 30, 2013	July 1, 2011- June 30, 2012
$536,537,855	$410,661,499	$125,876,356	$530,983,836	$535,485,718
28,895,131	21,103,369	7,791,762	24,524,427	24,393,066
$507,642,724	**$389,558,130**	**$118,084,594**	**$506,459,409**	**$511,092,652**

July 1, 2013- June 30, 2014	July 1, 2013- June 30, 2014	July 1, 2013- June 30, 2014	July 1, 2012- June 30, 2013	July 1, 2011- June 30, 2012
$403,786,000	**$307,679,000**	**$96,107,000**	**$387,184,000**	**$382,449,000**
444,302,000	340,010,000	104,292,000	424,574,000	418,141,000
---	---	---	424,603,000	418,058,000

July 1, 2013- June 30, 2014	July 1, 2013- June 30, 2014	July 1, 2013- June 30, 2014	July 1, 2012- June 30, 2013	July 1, 2011- June 30, 2012
$440,361,000	$336,792,000	$103,569,000	$422,902,000	$417,708,000
444,456,000	339,995,000	104,461,000	424,673,000	418,260,000
---	---	---	424,603,000	418,058,000
$67,281,724	**$52,766,130**	**$14,515,594**	**$83,557,409**	**$93,384,652**

Summary of Key Actuarial Methods & Assumptions

Fiscal Year	*2015*	*2014*	*2013*
Valuation Year	July 1, 2014- June 30, 2015	July 1, 2013- June 30, 2014	July 1, 2012- June 30, 2013
Actuarial cost method	Entry age normal, level percent of pay	Entry age normal, level percent of pay	Entry age normal, level percent of pay
Amortization method	30 years, open, level percent of pay	30 years, open, level percent of pay	30 years, open, level percent of pay
Asset Valuation method	Market Value	Market Value	Market Value
Actuarial Assumptions			
Discount rate	6.0%	6.0%	6.5%
Projected payroll growth rate	4.0%	4.0%	4.0%
Health care cost trend rate (Medical & prescription drugs combined)	Non-Medicare is 6.8% for Fiscal 2015; the rate decreases by 0.3% per year to an ultimate rate of 5.0% in Fiscal 2021 & later. Medicare is 7.0% for Fiscal 2015; the rate decreases by 0.4% per year through Fiscal 2019, then by 0.2% per year until reaching the ultimate rate of 5.0% in Fiscal 2021 & later.	Non-Medicare is 7.1% for Fiscal 2014; the rate decreases by 0.3% per year to an ultimate rate of 5.0% in Fiscal 2021 & later. Medicare is 7.4% for Fiscal 2014; the rate decreases by 0.4% per year through Fiscal 2019, then by 0.2% per year until reaching the ultimate rate of 5.0% in Fiscal 2021 & later.	Non-Medicare is 7.4% for Fiscal 2013; the rate decreases by 0.3% per year to an ultimate rate of 5.0% in Fiscal 2021 & later. Medicare is 7.8% for Fiscal 2013; the rate decreases by 0.4% per year through Fiscal 2019, then by 0.2% per year until reaching the ultimate rate of 5.0% in Fiscal 2021 & later.

State Retiree Welfare Benefit Trust

2012	*2011*	*2010*	*2009*
July 1, 2011- June 30, 2012	July 1, 2010- June 30, 2011	July 1, 2009- June 30, 2010	July 1, 2008- June 30, 2009
Entry age normal, level percent of pay	Entry age normal, level percent of pay	Entry age normal, level percent of pay	Entry age normal, level percent of pay
30 years, open, level percent of pay	30 years, open, level percent of pay	30 years, open, level percent of pay	30 years, open, level percent of pay
Market Value	Market Value	Market Value	Market Value
6.5%	7.0%	7.0%	7.5%
4.0%	4.0%	4.0%	4.0%
Non-Medicare: 8.00% in fiscal 2012, then decreasing by 3/5% per year to an ultimate of 5.0% in fiscal 2017 & after. Medicare: 8.50% in fiscal 2012, then decreasing by 7/10% per year to an ultimate of 5.0% in fiscal 2017 & after.	7.67% in fiscal year 2011, then decreasing by 2/3% per year to an ultimate of 5.0% in fiscal 2015 & after.	8.33% in fiscal year 2010, then decreasing by 2/3% per year to an ultimate of 5.0% in fiscal 2015 & after.	9% in fiscal year 2009, then decreasing by 2/3% per year to an ultimate of 5.0% in fiscal 2015 & after.

Schedule of Funding Progress ($ in millions)

State Retiree Welfare Benefit Trust

Fiscal Year Ending	*2015*	*2014*	*2013*	*2012*	*2011*
Actuarial Value of Assets (a)	$106.9	$102.3	$89.5	$83.6	$80.2
Actuarial Accrued Liability	$1,813.5	$1,649.5	$1,485.6	$1,594.5	$1,413.2
Unfunded/(Overfunded) AAL (UAAL) (b)-(a)	$1,706.6	$1,547.2	$1,396.1	$1,510.9	$1,333.0
Funded Ratio (a)/(b)	5.9%	6.2%	6.0%	5.2%	5.7%
Covered Payroll (c)	$1,583.7	$1,566.7	$1,552.7	$1,534.2	$1,559.1
UAAL as a Percentage of Covered Payroll [(b)-(a)/(c)]	107.8%	98.8%	89.9%	98.5%	85.5%

Fiscal Year Ending	*2010*	*2009*	*2008*
Actuarial Value of Assets (a)	$73.2	$48.7	$15.6
Actuarial Accrued Liability	$1,304.4	$1,629.9	$1,276.3
Unfunded/(Overfunded) AAL (UAAL) (b)-(a)	$1,231.2	$1,581.2	$1,260.7
Funded Ratio (a)/(b)	5.6%	3.0%	1.2%
Covered Payroll (c)	$1,614.0	$1,638.1	$1,572.9
UAAL as a Percentage of Covered Payroll [(b)-(a)/(c)]	76.3%	96.5%	80.2%

Schedule of Employer Contributions

State Retiree Welfare Benefit Trust

Fiscal Year Ending	*Annual Required Contributions*	*Actual Contributions*	*Percentage Contributed*
June 30, 2015	$103,674,590	$62,585,666	60.4%
June 30, 2014	100,143,855	56,314,655	56.2%
June 30, 2013	93,385,621	54,005,719	57.8%
June 30, 2012	100,799,906	57,080,104	56.6%
June 30, 2011	99,766,158	53,353,553	53.5%
June 30, 2010	93,864,650	74,384,744	79.2%
June 30, 2009	124,511,154	91,446,684	73.4%
June 30, 2008	104,479,000	68,628,500	65.7%

The State provided benefit payments and administrative costs of $62.6M in fiscal year 2015. The Statement of Changes in Fiduciary Net Position provides more details concerning these amounts.

Schedule of the Proportionate Share of the Net Pension Liability

Missouri Consolidated Health Care Plan

	*June 30, 2015**
MCHCP's proportion of the net pension liability (asset)	0.1577%
MCHCP's proportionate share of the net pension liability (asset)	$3,718,668
MCHCP's covered-employee payroll	$3,144,017
MCHCP's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	118.28%
Plan fiduciary net position as a percentage of the total pension liability	79.49%

* Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Note: This schedule will ultimately contain 10 years of data.

Schedule of Contributions

Missouri Consolidated Health Care Plan

	*June 30, 2015**
Required contribution	$514,746
Contributions in relation to the required contribution	$514,746
Contribution deficiency (excess)	$0
MCHCP's covered-employee payroll	$3,144,017
Contributions as a percentage of covered-employee payroll	16.37%

* Based on a measurement date and actuarial valuation as of the end of the preceding fiscal year.

Note: This schedule will ultimately contain 10 years of data.

Notes to Required Supplementary Information for the Year Ended June 30, 2015

Changes of benefit terms or assumptions

Changes of benefit terms: There were no changes to benefit terms in the pension plan for the year ended June 30, 2014.

Changes of assumptions: There were no changes to assumptions in pension valuation reports for the year ended June 30, 2014.

STATISTICAL

Who's counting?

We all are.

"Alone we can do so little;

Together we can do so much."

-Helen Keller

Historical Data: Revenues by Source

Internal Service Fund,
Ten years ended June 30, 2015

Fiscal Year	State/Employer Contributions	Member Contributions	Public Entity Income	Pharmacy Rebates & Subsidy	Total Operating Revenues	Investment & Other Income
2015	324,630,770	83,734,256	8,063,991	5,689,731	422,118,748	735,595
2014	314,696,927	87,402,560	8,234,207	7,684,071	418,017,765	877,940
2013	316,307,501	90,793,617	8,215,776	4,256,453	419,573,347	436,909
2012	319,804,444	89,797,753	8,492,621	5,375,360	423,470,178	853,463
2011	354,247,003	83,925,846	9,513,436	4,522,990	452,209,275	708,812
2010	356,953,666	73,309,792	10,295,456	5,344,809	445,903,723	1,104,898
2009	270,289,644	65,348,201	9,966,190	4,603,754	350,207,789	2,504,570
2008	276,886,166	57,339,368	10,008,570	5,033,832	349,267,936	7,099,139
2007	362,001,092	93,152,562	9,121,094	10,150,614	474,425,362	9,104,038
2006	319,465,109	84,069,097	8,989,197	8,104,447	420,627,850	5,928,270

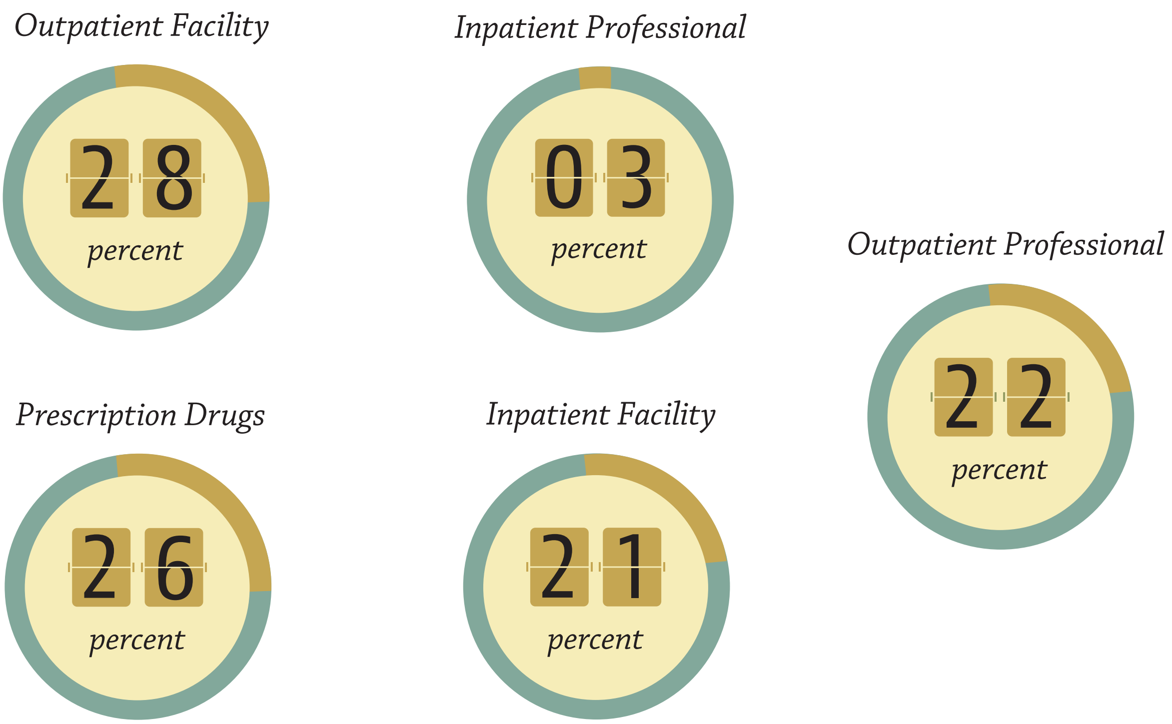
Historical Data: Expenses by Type

Internal Service Fund,
Ten years ended June 30, 2015

Fiscal Year	Medical Claims/ Capitation & Health Administrative Services	Administration & Payroll	Other	Total Operating Expenses & Fees
2015	420,740,454	3,998,457	1,846,818	426,585,729
2014	399,793,666	3,966,917	1,961,783	405,722,366
2013	384,588,353	3,983,962	1,805,563	390,377,878
2012	381,291,864	3,885,557	2,097,573	387,274,994
2011	422,066,045	4,148,726	2,134,781	428,349,552
2010	422,117,593	4,275,900	2,230,997	428,624,490
2009	431,216,276	4,809,936	2,117,078	438,143,290
2008	376,273,599	4,451,041	1,823,192	382,547,832
2007	437,756,208	5,597,367	1,975,742	445,329,317
2006	396,446,979	5,309,717	2,108,558	403,865,254

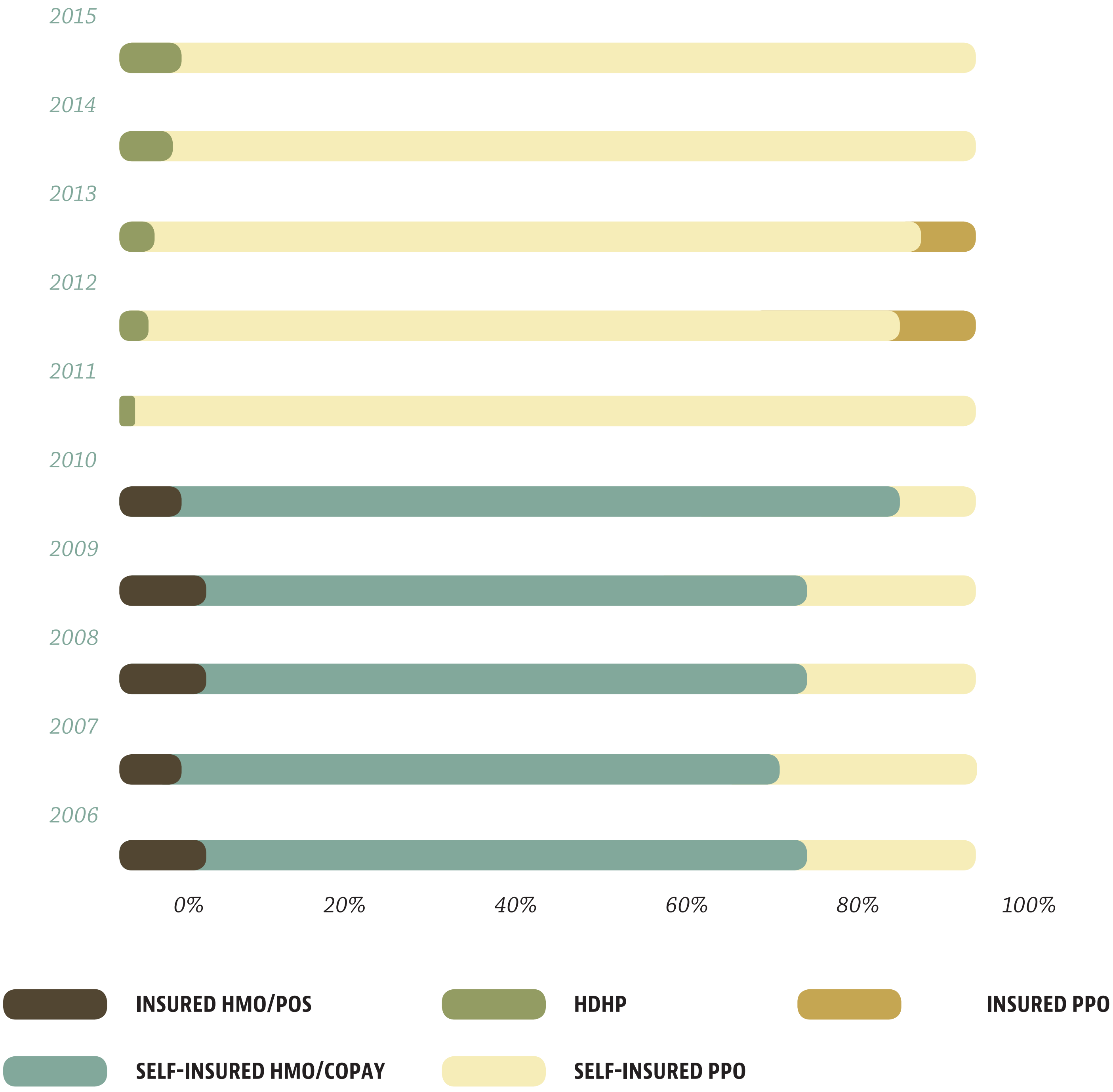
Distribution of Claim Payments

State Membership, Fiscal Year 2015



Healthcare Options By Year & Total Lives

State Membership,
Ten years ended June 30, 2015



Statement of Revenues, Expenses & Changes in Net Position

	2015	2014	2013	2012
Operating Revenues				
State/employer contributions	$324,630,770	$314,696,927	$316,307,501	$319,804,444
Member contributions	83,734,256	87,402,560	90,793,617	89,797,753
Public entity contributions	8,063,991	8,234,207	8,215,776	8,492,621
Pharmacy rebates	5,689,731	7,684,071	4,256,453	5,375,360
Medicare Part D subsidy	0	0	0	0
TOTAL OPERATING REVENUES	**$422,118,748**	**$418,017,765**	**$419,573,347**	**$423,470,178**
Operating Expenses				
Medical claims & capitation expnese	$403,830,055	$384,618,997	$372,475,046	$369,224,125
Claims administration services	15,639,455	13,852,877	10,806,319	10,715,326
Payroll and related benefits	3,171,205	3,256,596	2,956,116	2,995,419
Health management	1,270,944	1,321,792	1,306,988	1,352,413
Administration	827,252	710,321	893,425	755,431
Professional services	1,132,123	1,239,582	1,219,526	1,410,821
Employee Assistance Program	598,961	578,534	586,037	686,752
Depreciation	115,734	143,667	134,421	134,707
TOTAL OPERATING EXPENSES	**$426,585,729**	**$405,722,366**	**$390,377,878**	**$387,274,994**
Operating revenues over (under) operating expenses	(4,466,981)	12,295,399	29,195,469	36,195,184
Nonoperating Revenues				
Investment and other income	$735,595	$877,940	$436,909	$853,463
Loss on disposal of furniture, fixtures, and equipment	0	0	0	0
Other nonoperating expneses	0	0	0	0
Net Position				
Change in net position	($3,731,386)	$13,173,339	$29,632,378	$37,048,647
Net position, beginning of year, adjusted	139,162,752	130,428,285	100,795,907	63,747,260
NET POSITION, END OF YEAR	**$135,431,366**	**$143,601,624**	**$130,428,285**	**$100,795,907**

Internal Service Fund,
Ten years ended June 30, 2015

2011	*2010*	*2009*	*2008*	*2007*	*2006*
$354,247,003	$356,953,666	$270,289,644	$276,886,166	$362,001,092	$319,465,109
83,925,846	73,309,792	65,348,201	57,339,368	93,152,562	84,069,097
9,513,436	10,295,456	9,966,190	10,008,570	9,121,094	8,989,197
4,522,990	5,344,809	4,603,754	5,033,832	5,678,206	5,539,208
0	0	0	0	4,472,408	2,565,239
$452,209,275	**$445,903,723**	**$350,207,789**	**$349,267,936**	**$474,425,362**	**$420,627,850**
$409,567,239	$405,742,184	$411,593,266	$357,621,982	$414,402,466	$376,750,654
11,127,397	13,711,789	15,104,342	14,432,722	17,604,641	16,857,025
3,118,821	3,365,166	3,605,582	3,291,979	4,123,871	3,887,880
1,371,409	2,663,620	4,518,668	4,218,895	5,749,101	2,839,300
668,081	910,734	1,204,354	1,159,062	1,473,496	1,421,837
1,359,829	1,132,392	1,137,039	907,127	816,500	1,004,715
774,952	757,934	696,380	674,601	881,723	874,492
361,824	340,671	283,659	241,464	277,519	229,351
$428,349,552	**$428,624,490**	**$438,143,290**	**$382,547,832**	**$445,329,317**	**$403,865,254**
23,859,723	17,279,233	(87,935,501)	(33,279,896)	29,096,045	16,762,596
$708,812	$1,104,898	$2,504,570	$7,099,139	$9,104,038	$5,928,270
0	0	0	0	0	0
0	0	0	0	0	0
$24,568,535	$18,384,131	($85,430,931)	($26,180,757)	$38,200,083	$22,690,866
39,178,725	20,794,594	106,225,525	132,406,282	94,206,199	71,515,333
$63,747,260	**$39,178,725**	**$20,794,594**	**$106,225,525**	**$132,406,282**	**$94,206,199**

Schedule of Net Position by Component

Internal Service Fund,
Ten years ended June 30, 2015

Net Position	Net investments in capital assets	Unrestrictred	Total net position
2015	$304,082	$135,127,283	$135,431,365
2014	250,090	143,351,534	143,601,624
2013	262,720	130,165,565	130,428,285
2012	256,281	100,539,626	100,795,907
2011	333,028	63,414,232	63,747,260
2010	418,325	38,760,400	39,178,725
2009	488,735	20,305,859	20,794,594
2008	447,943	105,777,582	106,225,525
2007	400,575	132,005,707	132,406,282
2006	337,958	93,868,241	94,206,199

Full-Time Employees

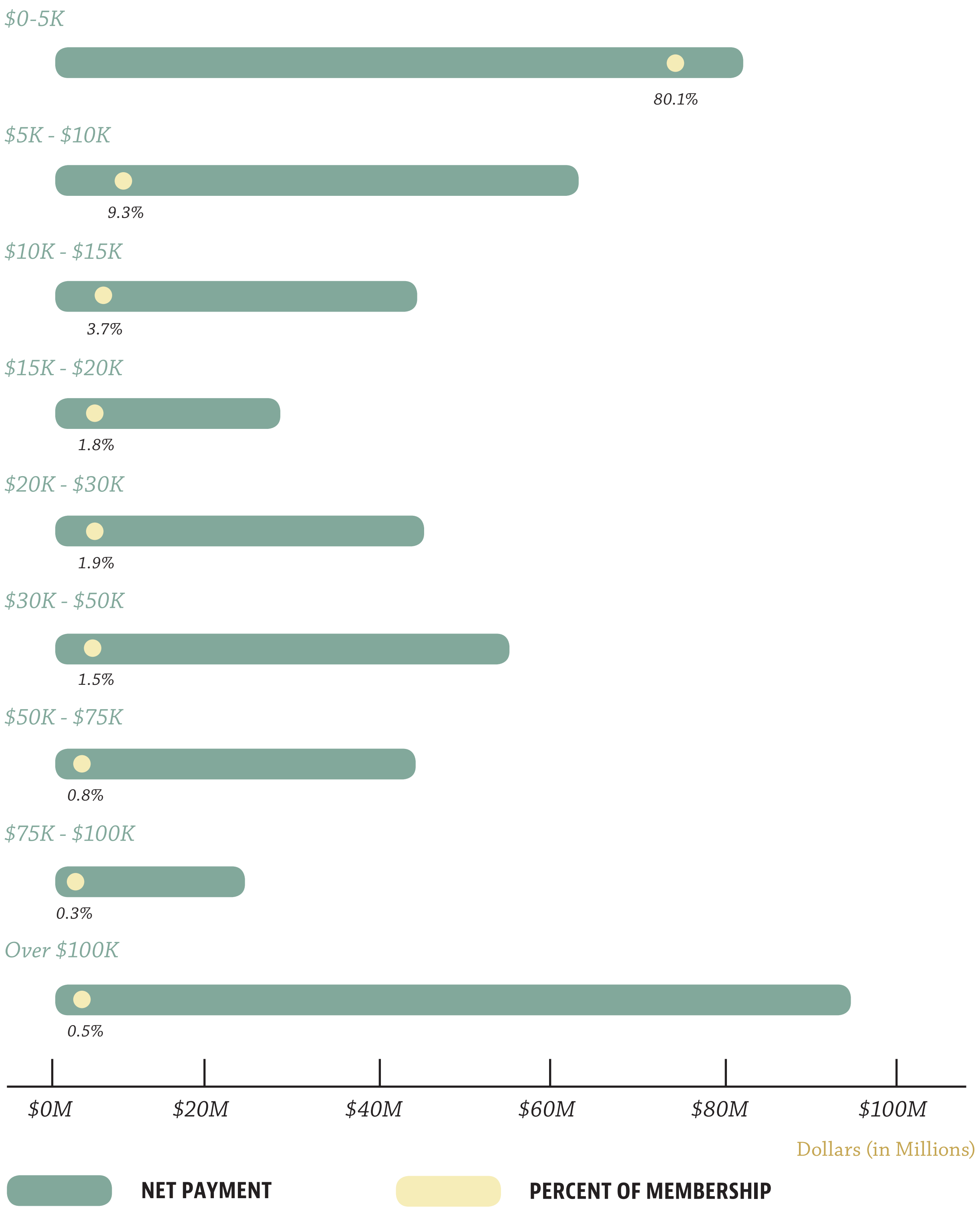
Missouri Consolidated Health Care Plan,
Ten years ended June 30, 2015

Department	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Executive & Administration	2.00	2.00	2.00	5.00	4.76	4.46	3.61	3.85	4.00	4.00	4.50
Operations	50.00	50.97	48.10	46.59	47.79	52.80	58.98	57.07	58.06	59.65	62.42
General Counsel	2.00	2.50	1.50	2.00	1.75	0.75	1.00	1.00	1.00	1.00	1.00
Internal Audit	3.00	4.00	4.00	3.00	3.00	2.96	3.00	3.00	2.88	0.04	-
Human Resources	1.00	1.00	0.53	1.00	0.82	1.48	2.00	2.00	1.62	2.00	2.00
Fiscal	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	5.60	6.00	6.00
TOTALS	64.00	66.47	62.13	63.59	64.12	68.45	74.59	72.92	73.16	72.69	75.92

Paid Claims Distribution By Individual

State Membership, Fiscal year ended June 30, 2015

Claims Distribution Range (Dollars in Thousands)



80.1% of membership accumulated $0-5K in claims and accounted for $82.7 million in cost

State Membership Enrolled in MCHCP

Subscribers & Dependents
as of June 30, 2015

Age	ACTIVE Female	ACTIVE Male	RETIREE Female	RETIREE Male	COBRA Female	COBRA Male	DISABLED Female	DISABLED Male	SURVIVOR Female	SURVIVOR Male	VESTED Female	VESTED Male	TOTAL
< 1	421	409	0	2	0	1	0	0	0	0	1	0	***834***
1 - 10	4,955	5,228	22	12	2	3	0	1	3	3	5	3	***10,237***
11 - 19	5,888	6,170	114	109	1	5	4	4	11	4	11	4	***12,325***
20 - 24	3,719	3,532	184	171	2	2	9	2	13	16	4	3	***7,657***
25 - 29	2,649	1,984	31	47	3	5	1	1	0	4	1	1	***4,727***
30 - 34	2,875	1,817	6	7	2	2	0	0	0	1	0	1	***4,711***
35 - 39	3,056	1,929	3	9	0	0	6	0	0	1	3	0	***5,007***
40 - 44	3,572	2,091	4	0	3	1	8	1	0	1	8	4	***5,693***
45 - 49	3,868	2,381	27	10	1	5	11	9	3	2	13	5	***6,335***
50 - 54	4,372	2,794	352	135	3	0	20	16	4	2	21	8	***7,727***
55 - 59	3,784	2,556	1,297	594	2	5	25	8	22	6	15	13	***8,327***
60 - 64	2,345	1,922	2,458	1,356	9	2	3	4	46	14	8	6	***8,173***
65 - 69	578	630	2,684	1,731	0	0	2	0	61	22	0	0	***5,708***
70 - 74	86	143	1,859	1,269	0	0	0	1	102	26	1	1	***3,488***
75 - 79	18	24	1,366	832	0	0	0	0	113	46	0	0	***2,399***
80 +	3	9	1,568	841	0	0	0	0	327	40	1	1	***2,790***
SUBTOTAL	42,189	33,619	11,975	7,125	28	31	89	47	705	188	92	50	***96,138***
	Total Active 75,808		*Total Retirees* 19,100		*Total COBRA* 59		*Total Disabled* 136		*Total Survivors* 893		*Total Vested* 142		

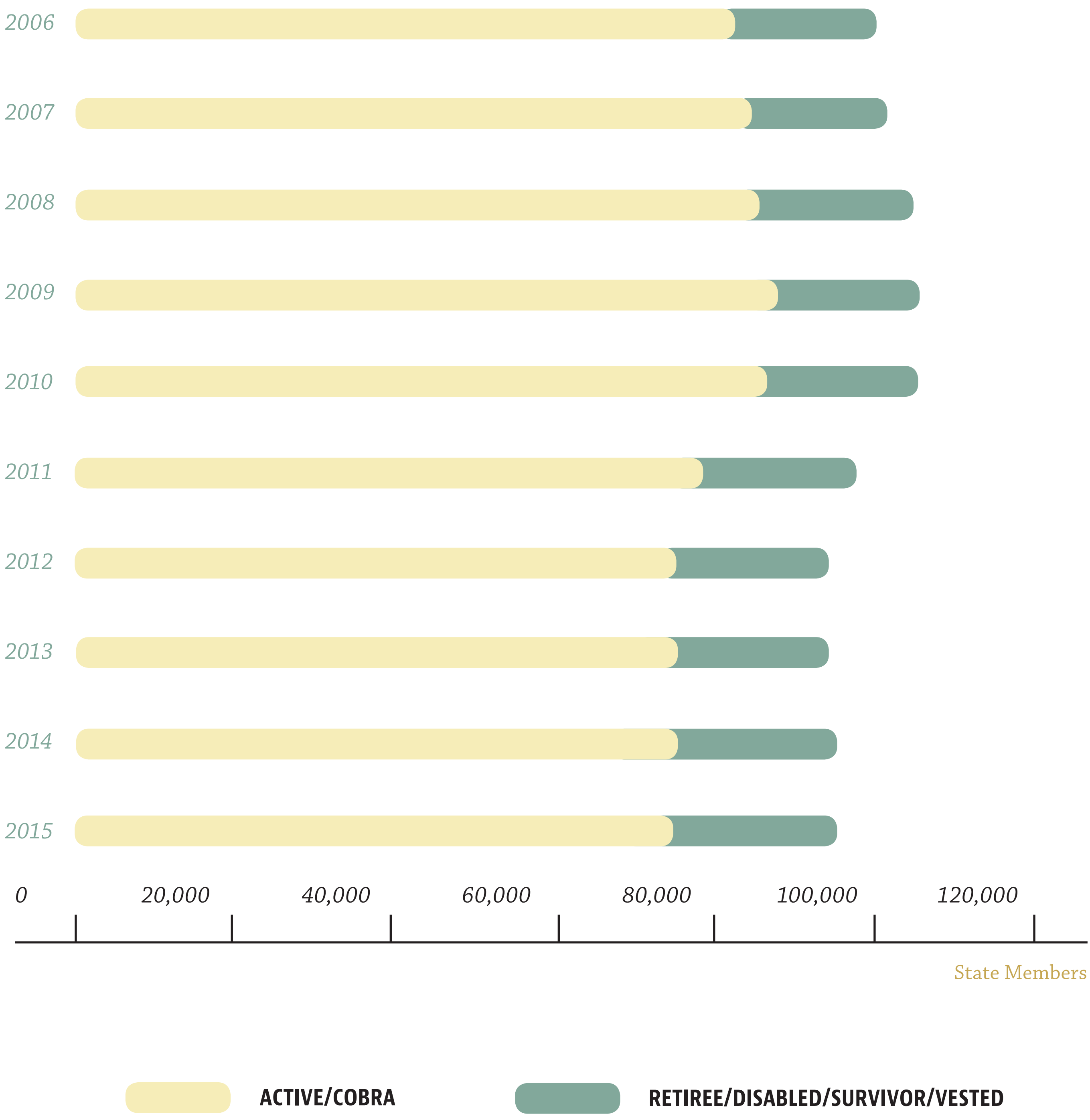
Enrollment History

State Membership,
Ten years ended June 30, 2015

Year	Active	Retiree	COBRA	Disabled	Survivor	Vested	TOTAL
2006	83,129	15,668	192	466	819	298	***100,572***
2007	84,585	16,154	189	424	820	267	***102,439***
2008	85,884	16,538	135	390	821	254	***104,022***
2009	88,277	16,802	189	351	852	210	***106,681***
2010	86,744	17,122	260	271	857	171	***105,425***
2011	79,317	17,682	147	258	872	165	***98,441***
2012	77,069	17,937	65	221	867	169	***96,328***
2013	76,288	18,361	111	205	847	171	***95,983***
2014	76,713	18,630	65	167	855	159	***96,589***
2015	75,808	19,100	59	136	893	142	***96,138***

Enrollment Distribution

State Membership,
Ten years ended June 30, 2015



Public Entity Membership Enrolled in MCHCP

Subscribers & Dependents
as of June 30, 2015

	ACTIVE		RETIREE		COBRA		TOTAL
Age	Female	Male	Female	Male	Female	Male	All
< 1	2	1	0	0	0	0	***3***
1 - 10	34	29	0	0	0	0	***63***
11 - 19	41	45	0	0	0	0	***86***
20 - 24	38	36	0	0	0	0	***74***
25 - 29	40	43	0	0	0	0	***83***
30 - 34	36	47	0	0	0	0	***83***
35 - 39	37	43	0	0	0	0	***80***
40 - 44	53	38	0	0	0	0	***91***
45 - 49	64	41	0	0	0	0	***105***
50 - 54	90	54	0	0	0	0	***144***
55 - 59	75	56	1	0	2	0	***134***
60 - 64	77	49	4	1	2	0	***133***
65 - 69	19	16	1	0	0	0	***36***
70 - 74	3	4	0	0	0	0	***7***
75 - 79	1	2	3	2	0	0	***8***
80 +	-	1	-	-	-	-	***1***
SUBTOTAL	610	505	9	3	4	0	***1,131***
	Total Active 1,115		*Total Retirees* 12		*Total COBRA* 4		

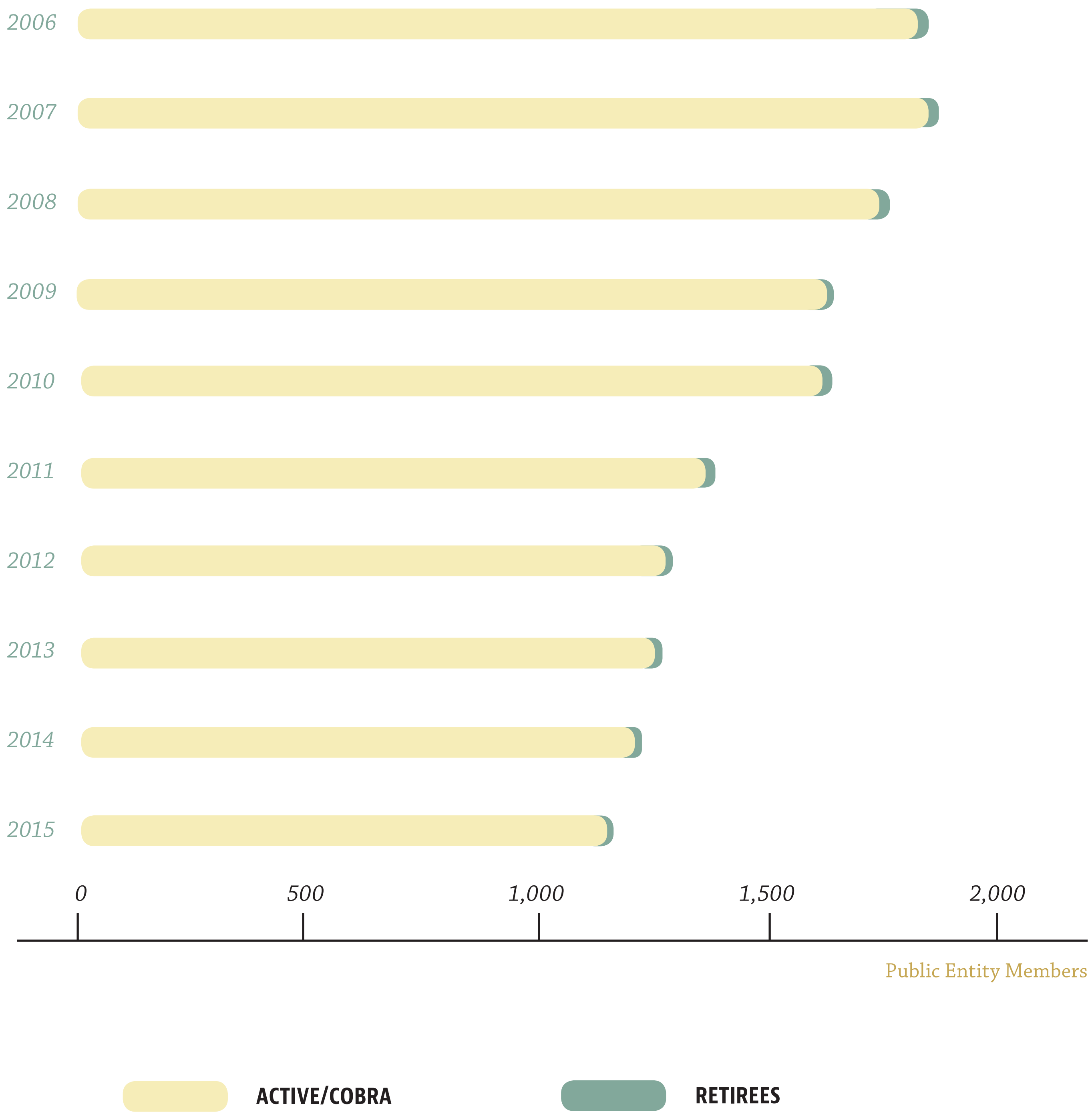
Enrollment History

Public Entity Membership,
Ten years ended June 30, 2015

Year	Active	Retiree	COBRA	TOTAL
2006	1,795	14	11	***1,820***
2007	1,851	11	18	***1,880***
2008	1,752	18	13	***1,783***
2009	1,590	7	16	***1,613***
2010	1,596	14	16	***1,626***
2011	1,365	13	12	***1,390***
2012	1,277	10	9	***1,296***
2013	1,244	9	9	***1,262***
2014	1,197	14	2	***1,213***
2015	1,115	12	4	***1,131***

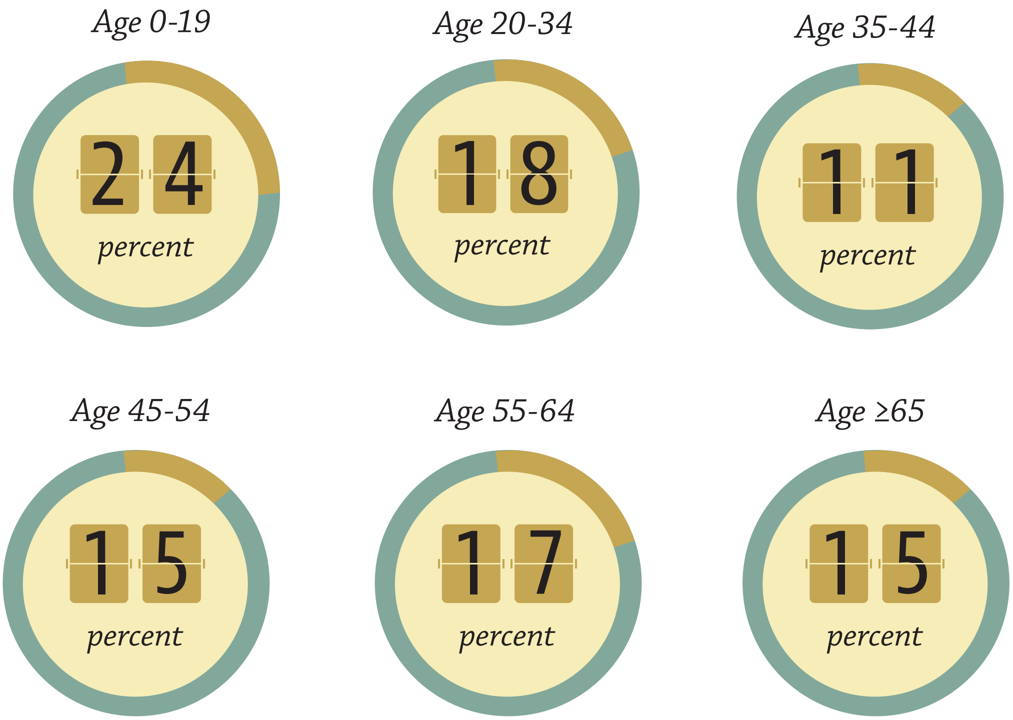
Enrollment Distribution

Public Entity Membership,
Ten years ended June 30, 2015



Plan Demographics

State Membership, Fiscal Year 2015



Summary

Total Lives

96,138

Male

43%

Female

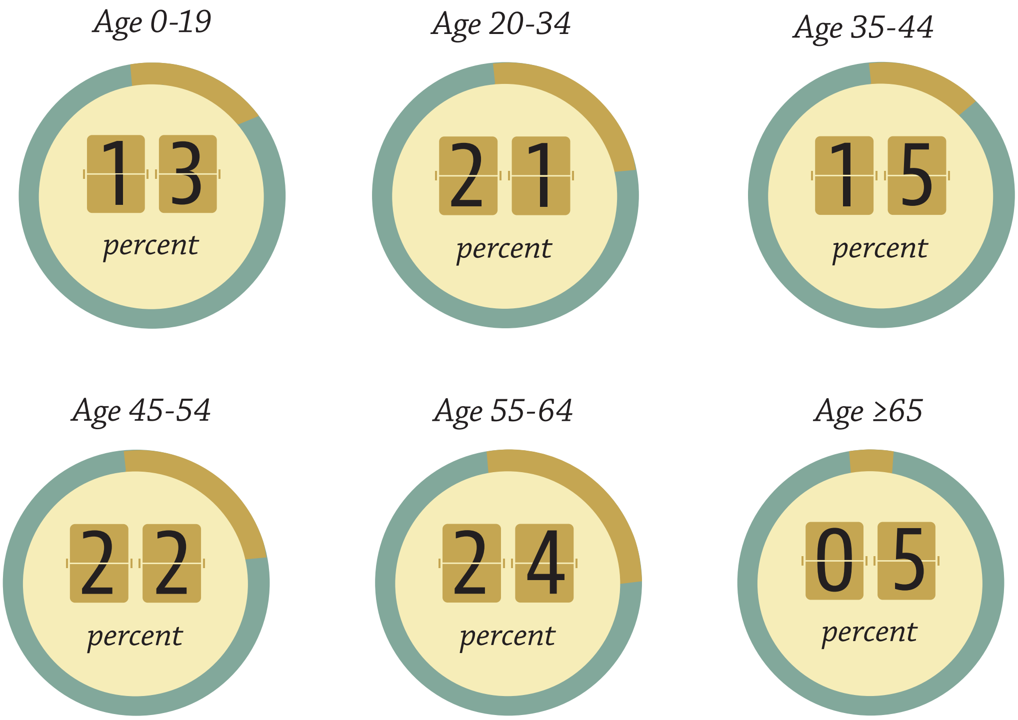
57%

Average Age

40 years

Plan Demographics

Public Entity Membership, Fiscal Year 2015



Summary

Total Lives

1,131

Male

45%

Female

55%

Average Age

42 years

Who's Counting?

2015 Comprehensive Annual Financial Report | **Missouri Consolidated Health Care Plan**